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ISSUANCE DATE: November 1, 2001
CLOSING DATE: December 17, 2001
CLOSING TIME: 4:00 PM (Yerevan Time)

Subject: Request for Proposal (RFP) No. 111-02-002, USAID/Armenia Capital Markets Development Program-Phase II

The United States Government, represented by the U.S. Agency for International Development (USAID), is seeking proposals from qualified organizations interested in providing the services described in the attached solicitation.

If you decide to submit a proposal, it must be submitted in accordance with the attached solicitation and received in Yerevan no later than the date and time indicated above. Offerors are advised that a minimum of 5 days should be allowed for proposals sent by courier. A minimum of 3 weeks should be allowed for proposals sent through the Washington, D.C. State Department address.

This procurement shall be conducted under full and open competition, under which any type of organization (large or small commercial [for profit] firms, educational institutions, non-profit organizations) is eligible to compete. The procedures set forth in FAR Part 15 shall apply. USAID plans to award a 3-year cost plus fixed fee, completion type contract with a total estimated cost in the range of \$4-6 million for implementation of this activity. Revealing the cost range for the contract does not mean that offerors should necessarily strive to meet the maximum amount. Cost proposals shall be evaluated as a part of a Best Value determination for contract award. The offeror is to propose the LOE and staffing according to the offeror's approach for achieving results. The offeror is also to propose key personnel positions and candidates. Sections B through J of the solicitation will become the contract, with blanks completed by the Contracting Officer based on the successful proposal.

This solicitation contains a price evaluation adjustment which will be applied to proposals from offerors which are not U.S. small disadvantaged businesses (SDBs) and to U.S. SDB offerors that waive the adjustment (See Section I of the solicitation). A U.S. SDB offeror that does not waive the adjustment will have limitations on the amount of work that it may subcontract. It should be noted that if the offeror (Prime Contractor) is not a U.S. small business, U.S. small disadvantaged or U.S. women-owned small business concern, a small business subcontracting plan must be submitted as a part of the proposal. Pursuant to FAR 19.702(a)(1), if an acceptable subcontracting plan cannot be negotiated, the offeror will be ineligible for award.

As part of the evaluation criteria addressing Past Performance, offerors are required to demonstrate effective use of Small, Small Disadvantaged and Women-owned Small Businesses in activities undertaken in the past. This factor will not apply to a U.S. SDB offeror that does not waive the price evaluation adjustment described above. Information required for evaluation of this factor may go beyond, and require supplementation to, the information included in the small business subcontracting plan described in the preceding paragraph.

The NAIC Code for this solicitation is 541816 and the small business size standard for this procurement is a U.S. firm which is organized for profit and whose average annual receipts during the offeror's preceding three years does not exceed \$5 million.

This solicitation in no way obligates USAID to award a contract, nor does it commit USAID to pay any cost incurred in the preparation and submission of the proposal.

Potential offerors may submit questions in writing to Mr. Yeghiazarian, Contracts Specialist USAID/Armenia no later than November 12, 2001. Mr. Yeghiazarian can be reached via e-mail at ayeghiazarian@usaid.gov or via facsimile at (374-1) 543-871. Receipt of this RFP through the internet must be confirmed by written notification to Mr. Yeghiazarian if the offeror wishes to be notified of any amendments to the solicitation. Offerors should retain for their records copies of any and all enclosures which accompany their proposals.

Sincerely,

Carlton M. Bennett
Regional Contracting Officer
USAID/Caucasus

SOLICITATION, OFFER AND AWARD

1. THIS CONTRACT IS A RATED ORDER
UNDER DPAS (15 CFR 700)RATING
N/A

PAGE 1 OF 1 PAGE(S)

| | | | | |
|---|--|---|------------------------------------|---|
| 2. CONTRACT NO. | 3. SOLICITATION NO. 111-02-002 | 4. TYPE OF SOLICITATION <input type="checkbox"/> SEALED BID (IFB) <input checked="" type="checkbox"/> NEGOTIATED (RFP) | 5. DATE ISSUED November 1, 2001 | 6. REQUISITION/PURCHASE NO. 111-01-0053 |
| 7. ISSUED BY Regional Contracting Office USAID/Caucasus/Tbilisi Department of State Washington, D.C. 20521-7060 | | 8. ADDRESS OFFER TO (If other than Item 7) EXO/USAID/Armenia 18 Marshal Baghramian Avenue Yerevan 375019, Armenia | | |

NOTE: In sealed bid solicitations "offer" and "offeror" mean "bid" and "bidder"

SOLICITATION

9. Sealed offers in original and 3 copies for furnishing the supplies or services in the Schedule will be received at the place specified in Item 8, or if handcarried, in the depository located in Item 7 until **4:00 PM (Yerevan Time)** local time **December 17, 2001.**

CAUTION LATE Submissions, Modifications, and Withdrawals: See Section L, Provision No. 52.214-7 or 52.215-1. All offers are subject to all terms and conditions contained in this solicitation.

| | | | | | |
|---------------------------|--------------------------------------|-------------------------------------|--------------------------|------|---|
| 10. FOR INFORMATION CALL: | A. NAME Armen Yeghiazarian | B. TELEPHONE NO. (NO COLLECT CALLS) | | | C. E-MAIL ADDRESS ayeghiazarian@usaid.gov |
| | | Intl CODE 374 1 | NUMBER 543 835 | EXT. | |

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OFFER (Must be fully completed by offeror)

NOTE: Item 12 does not apply if the solicitation includes the provisions at 52.214-16, Minimum Bid Acceptance Period.

12. In compliance with the above, the undersigned agrees, if this offer is accepted within calendar days (60 calendar days unless a different period is inserted by the offeror) from the date for receipt of offers specified above, to furnish any or all items upon which prices are offered at the price set opposite each item, delivered at the designated point(s), within the time specified in the schedule.

| | | | | |
|---|---------------------------|---|---|------------------------|
| 13. DISCOUNT FOR PROMPT PAYMENT (See Section I, Clause No. 52.232-8) | 10 CALENDAR DAYS (%) % | 20 CALENDAR DAYS (%) % | 30 CALENDAR DAYS (%) % | CALENDAR DAYS (%) % |
| 14. ACKNOWLEDGMENT OF AMENDMENTS (The offeror acknowledges receipt of amendments to the SOLICITATION for offerors and related documents numbered and dated: | AMENDMENT NO. | DATE | AMENDMENT NO. | DATE |
| | | | | |
| | | | | |
| 15A. NAME AND ADDRESS OF OFFEROR | CODE | FACILITY | 16. NAME AND TITLE OF PERSON AUTHORIZED TO SIGN OFFER (Type or print) | |
| 15B. TELEPHONE NUMBER | | <input type="checkbox"/> 15C. CHECK IF REMITTANCE ADDRESS IS DIFFERENT FROM ABOVE - ENTER SUCH ADDRESS IN SCHEDULE. | 17. SIGNATURE | 18. OFFER DATE |
| AREA CODE | NUMBER EXT. | | | |

AWARD (To be completed by Government)

| | | | |
|---|--|---|----------------|
| 19. ACCEPTED AS TO ITEMS NUMBERED | 20. AMOUNT | 21. ACCOUNTING AND APPROPRIATION | |
| 22. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION: <input type="checkbox"/> 10 U.S.C. 2304(c) () <input type="checkbox"/> 41 U.S.C. 253(c) () | | 23. SUBMIT INVOICES TO ADDRESS SHOWN IN (4 copies unless otherwise specified) | ITEM |
| 24. ADMINISTERED BY (If other than Item 7) | CODE | 25. PAYMENT WILL BE MADE BY OFM/USAID/Armenia 18 Marshall Baghramian Avenue Yerevan 375019, Armenia | CODE |
| 26. NAME OF Contracting Officer (Type or print) | 27. UNITED STATES OF AMERICA (Signature of Contracting Officer) | | 28. AWARD DATE |

IMPORTANT: Award will be made on this Form, or on Standard Form 26, or by other authorized official written notice.

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PART I - THE SCHEDULE**SECTION B - SUPPLIES OR SERVICES AND PRICE/COSTS****B.1 PURPOSE**

The purpose of this contract is:

to provide technical assistance to the Republic of Armenia in the development of its nascent capital markets. Specifically the technical assistance will be provided to Securities Commission of Armenia (SCA), the Armenian Stock Exchange (Armex), the Central Depository of Armenia (CDA), and to broker-dealers.

B.2 CONTRACT TYPE

This is a Cost-Plus-Fixed-Fee (CPFF) completion contract. For the consideration set forth below, the Contractor shall provide the deliverables or outputs described in Section F in accordance with the performance standards specified in Section E.

B.3 ESTIMATED COST, FIXED FEE, AND OBLIGATED AMOUNT

(a) The estimated cost for the performance of the work required hereunder, exclusive of fixed fee, if any, is _____. The fixed fee, if any, is _____. The estimated cost plus fixed fee, if any, is _____.

(b) Within the estimated cost plus fixed fee (if any) specified in paragraph (a) above, the amount currently obligated and available for reimbursement of allowable costs incurred by the Contractor (and payment of fee, if any) for performance hereunder is _____. The Contractor shall not exceed the aforesaid obligated amount.

(c) Funds obligated hereunder are anticipated to be sufficient through _____.

B.4 LINE ITEMS

| | |
|---|---------|
| CLIN 0001 – Technical Assistance: Traditional Capital Markets | \$_____ |
| CLIN 0002 – Technical Assistance: Non-Bank Financial Intermediation | \$_____ |
| 0002a - Design | |
| 0002b - Implementation | |
| CLIN 0003 – Fee | \$_____ |

B.5 INDIRECT COSTS (DEC 1997)

Pending establishment of revised provisional or final indirect cost rates, allowable indirect costs shall be reimbursed on the basis of the following negotiated provisional or predetermined rates and the appropriate bases:

| Description | Rate | Base | Type | Period |
|-------------|------|------|------|--------|
| | 1/ | 1/ | 1/ | 1/ |
| | 2/ | 2/ | 2/ | 2/ |

1/Base of Application:
Type of Rate: Predetermined
Period:

2/Base of Application:
Type of Rate: Predetermined
Period:

B.6 COST REIMBURSABLE

The U.S. dollar costs allowable shall be limited to reasonable, allocable and necessary costs determined in accordance with FAR 52.216-7, Allowable Cost and Payment, FAR 52.216-8, Fixed Fee, if applicable, and AIDAR 752.7003, Documentation for Payment.

SECTION C - DESCRIPTION/SPECIFICATIONS/STATEMENT OF WORK**CAPITAL MARKETS DEVELOPMENT PROGRAM****I. Executive Summary**

The purpose of this Capital Markets Development Activity is to provide technical assistance to the Republic of Armenia in the development of its nascent capital markets. Specifically, this technical assistance will be provided to the Securities Commission of Armenia (SCA), the Armenian Stock Exchange (Armex), the Central Depository of Armenia (CDA), and to broker-dealers.

This activity will provide assistance to traditional capital markets participants, as listed above. In addition, the Activity recognizes the wide range of needs in Armenia for financial intermediation and that formal capital markets institutions represent only one of the channels for promoting non-bank financial intermediation. In this regard, the activity will include a review and assessment of the feasibility and appropriateness of providing assistance to participants in such intermediation outside the formal stock exchange. This will cover such topics as assistance to broker-dealers in making private placements and to pension and insurance fund managers in determining appropriate investments. The review and assessment will provide a basis for determining the extent of USAID assistance in these areas and for developing a concrete Work Plan.

The goal of this activity is to assist in establishing a functioning capital market in Armenia through a variety of activities designed to build capacity in the financial sector and to increase financial intermediation through the securities market, as well as through other non-bank financial institutions. The activity will assist in fostering a climate that attracts both domestic and foreign investment, which in turn strengthens enterprises and generates employment.

This activity will support USAID's Strategic Objective (SO) 1.3: Growth of a Competitive Private Sector. Specifically, the work to be accomplished under this Activity will support Intermediate Result (IR) #3, Access to Financial Capital Increased. This activity directly supports two Lower Level (LL) IRs: 1) a viable, well-regulated capital market, and 2) a competitive, well-supervised financial sector. This activity will also contribute to the reorientation of the Republic of Armenia from a centrally planned economy to a decentralized market-oriented economy.

II. Capital Markets Initiative**A. Background**

Prior to mid-year 2000, Armenia had four registered stock exchanges. The Yerevan Stock Exchange (YSE) had been the primary exchange in Armenia, with some 95 companies that had passed its listing procedure.¹ Several brokerage firms are located in Yerevan and Gyumri. Despite the presence of a number of stock exchanges and the fact that several companies were listed there, trading activity was very low at the four (no longer registered) exchanges. The YSE had functioned in a fashion similar to the manager of a selling group during the privatization of state-owned enterprises, but never actually raised fresh capital for existing companies. The concept of "going public" in Armenia has been little more than a formality and has not been a means of raising capital for companies. Furthermore, issuance of corporate bonds has not been utilized as a means of raising capital for Armenian enterprises.

In more developed economies, financial institutions, financial instruments, and market intermediaries provide for the distribution of accumulated capital needed to finance growing businesses. Armenian enterprises suffer from limited access to capital as a result of Armenia's weak commercial banking sector and a dearth of other

¹ However, the four pre-existing stock exchanges grossly disregarded disclosure requirements when they listed companies.

financial intermediaries such as mortgage banks, insurance companies, investment funds, and private pension funds. Strong, vibrant, functional financial systems are required to foster the growth of Armenia's enterprises.

This scarcity of investment capital is a significant obstacle to the growth of Armenia's private sector. By building stronger, more credible financial institutions, more capital will be accumulated domestically and more domestic and foreign capital made available for loans and investments in enterprises. Organized financial markets facilitate the purchase and sale of financial products and broaden the pool of potential financiers for a company seeking funds. The greater the number and variety of financial instruments available, the more likely local businesses will gain access to needed investment capital.

The fact that financial intermediation itself is largely absent in Armenia is a substantial constraint on the development of its private sector. The appropriate mechanisms for a functioning securities market are not yet in place. Moreover, formal capital market institutions represent only one of the channels for promoting non-bank financial intermediation in Armenia. The services of trained broker-dealers effectively raising needed capital for growing enterprises, both through stock/bond offerings on the stock exchange and private placements outside of it, are needed by Armenian enterprises.

In order to stimulate and attract foreign and domestic investment, Armenia needs a financial market system worthy of the trust and confidence of investors. This requires a system with a high degree of integrity, efficiency, and openness. With donor support, Armenia has already made important strides toward building a market possessing these characteristics. However, considerable work remains to be done. USAID interventions in this area are intended to help Armenia develop a capital market that (a) is commercially viable, systemically sound, open, and fair; (b) affords all interested citizens the opportunity to participate in the purchase and sale of securities; (c) provides privately-owned businesses with the opportunity to issue corporate securities and bonds, the proceeds of which will assist in their further development; and (d) helps citizens develop an understanding of the nature of investment. All of the above will encourage private citizens to participate in the market in such a way as to create long-term savings that can be channeled through various forms of financial intermediation to investors.

B. Phase I - Assistance and Accomplishments

1. January 1998 to December 2000

The USAID Capital Market Development Project in the Republic of Armenia, implemented by PricewaterhouseCoopers, began in 1998 to work with the Ministry of Finance and Economy to create and develop Armenia's independent securities regulator, an important component of the financial intermediation process. This process culminated in the creation of the SCA, a regulatory body for the non-bank financial sector; the SCA now has statutory jurisdiction over all aspects of securities markets.

This USAID project also assisted in developing a legal and regulatory structure that supports and promotes a transparent market, including a comprehensive securities law covering all phases of capital market operations. Armenia's securities regulator and its new securities law are both vital prerequisites of the financial intermediation process. In addition to these preconditions, modern company law and trained broker-dealers are required for widespread financial intermediation to occur.

Under the Law on Securities Market Regulation (LSMR), passed in July 2000, stock exchanges must have the status of a self-regulatory organization (SRO). None of the four exchanges proved willing or able to take this step, and currently none of them is licensed or functioning. The Securities Market Members Association (SMMA), a grouping of broker/dealers, was reorganized in 2000 to meet the requirements set forth by the LSMR for a SRO and filed a registration application with the SCA. Pursuant to the LSMR, the SMMA was registered as the new Armex in mid-February 2001.

The lynchpin of this two-and-a-half year capital market activity was the creation of an independent securities regulator, following the passage of the LSMR in July 2000. Other notable accomplishments during the January 1998 – December 2000 period include:

i) The establishment of the CDA. The CDA will function in the medium term simply as a centralized registry, but the relevant software allows for the possibility of an omnibus account, so that the CDA has the capability to hold shares in nominee form or “street name.” The view has been that the broker/dealers are not at present in a position to competently manage the back-office accounting for the CDA to function as a true depository. In any case, this registry is capable of receiving the net results of the day’s trading; it can in turn forward its information, electronically or manually, with the manual clearance and settlement process at a settlement bank.

ii) The consolidation into the CDA’s two databases – Ambersoft’s Pro Depository V database, and the registrar’s original, pre-Ambersoft databases – containing shareholder ownership data on joint stock companies with more than 50 shareholders.

iii) The successful completion of a tender that selected the Armex to receive the Russian Trading System (RTS). This is an important step in allowing the member-owned, not-for-profit securities exchange to provide a reliable environment in which financial intermediation can occur.

2. January to June 2001

The incumbent contractor’s tasks under the current six-month contract (January-June 2001) include the following:

i) Relative to the SCA, providing technical assistance so as to facilitate:

- institutional development, including working with the SCA on staff development, establishing an organizational structure that meets its needs but does not thwart market place development, and on establishing a two-year activity and program budget for 2002;
- software and hardware development, including assistance in developing a Web site that helps the SCA comply with the disclosure requirements under the LSMR;
- drafting and adoption by the GoA of desirable amendments to the LSMR;
- drafting the new LJSC in coordination with USAID’s Rule of Law/Commercial Law project; and
- Working with the SCA to ensure compliance by issuers/enterprises with LSMR requirements, including assisting on such matters as developing a procedure for disclosing financial information that satisfies those requirements and simultaneously educates issuers/enterprises on the benefits of disclosure according to international standards, developing a surveillance system and punitive sanctions against enterprises not complying with the LSMR, and promoting dialogue among regulators in the region.

ii) Relative to the Armex, providing technical assistance so as to facilitate:

- transformation of the Armex into an SRO and its registration with the SCA;
- installation and modification of the RTS per the terms of the Software Licensing Agreement between RTS and USAID;
- working with the Armex to assist its development and registration as an SRO;
- working with the Armex to develop all required internal rules/regulations, including listing requirements, disciplinary rules and regulations governing dispute resolution;
- working with the Armex to develop back office compliance requirements and manuals and uniform practices;
- working with the Armex to commence trading activity; and
- Working with the Armex to assist its marketing efforts in support of the growth of trading activity, including through such vehicles as marketing plans for attracting enterprises and educating financial intermediaries, and two-

year business plans, which, among other things, facilitate institutionalization of broker-dealer training.

iii) Relative to the CDA, providing technical assistance so as to facilitate:

- finalizing the CDA's privatization by June 30, 2001, through measures that assure that its ownership and operation meet G-30 requirements, facilitating its registry as an SRO, and working with the CDA to develop all required rules and regulations so that it can perform the functions of clearance, settlement, and depository (CSD);
- installing an automated CSD system (once the RTS installation is complete), including working with the CDA to develop a manual system for clearance and settlement (pending completion of installation and testing of an automated CSD system, if needed) and a guarantee settlement process; and
- In collaboration with the RTS, CDA and Armex, assessing the benefits of a shared utility structure.

iv) Relative to market development, to carry out the following:

- working with the Ministry of State Property Management (MSPM) and other USAID contractors to develop additional State Residual Share (SRS) programs similar to the one completed in March 2000 using broker-dealers;
- working with USAID, other USAID contractors, and the MSPM to utilize broker-dealers to privatize enterprises through offering new share allotments; and
- Working with USAID, other USAID contractors, and the MSPM to complete the privatization of strategic state-owned enterprises using broker-dealers.

v) Relative to professional and public education, to carry out the following:

- In conjunction with USAID's Rule of Law/Commercial Law project, working with judges and lawyers to educate them on all laws affecting the development of the financial sector; and in conjunction with USAID and USAID contractors, institutionalizing outreach to issuers, market participants, shareholders, and the general public about the benefits of an open, transparent capital market.

Most of the institutions necessary for a functioning capital market have been established in Armenia. By July 2001, it is expected that: a securities regulator will have well-specified (if largely untested) enforcement powers and practices; the CDA will have been privatized; the RTS will be installed and functioning; the CDA and Armex will have been transformed to SRO status, with self-sustainability plans in place; and the incumbent contractor will have worked with the Armex to develop a marketing program. The latter is intended to support the growth in trading volumes (including procuring new listings), to develop the marketing and other skills necessary to assume ownership of developments in the market place, and to institutionalize programs to educate financial intermediaries.

A draft law on joint stock companies (LJSC) is now being reviewed. If submitted to the National Assembly and passed in its current form, the LJSC is expected to further strengthen the legal and regulatory foundation for attracting direct investment into growing enterprises in Armenia. This new legal and regulatory structure, combined with the organized broker-dealer community, could support an active private placement market to funnel investment capital into Armenian businesses using the regulated, organized Armenian capital markets as a conduit.

The above results achieved in Phase I will serve as building blocks for the next stage (Phase II) of USAID's financial market development initiative. Phase II will see the further strengthening of capital market participants and institutions such as the SCA, Armex, and CDA. In addition, it is anticipated that implementation of Phase II (to which this SOW pertains) will promote the development of other aspects of capital markets, including pension funds and private placements.

C. Relation to Other USAID and Donor Activities

Coordination with other donor organizations in Armenia is crucial to the success of the economic reform programs. The World Bank is lending the CDA \$300,000 for operational costs (including salaries and supplies) and equipment over two years under its Structural Adjustment and Technical Assistance Credit II.

The International Finance Corporation has been financing a Corporate Governance Project, whose Phase I ran from February 1999 through January 2001, and which has recently been extended until July 2001. The goals of Phase I have been to:

- improve the Armenian investment environment through such actions as training the managers, directors, and shareholders of joint stock companies, government officials, and others on corporate governance;
- developing a Corporate Governance Manual (a “how to” guide);
- advising GOA on improvements to legislation affecting corporate governance; and
- Building links between Armenian companies, on the one hand, and Dutch and other foreign companies, on the other, through meetings on corporate governance and the investment environment.

Phase II aims to complete policy development, in particular by drafting the LJSC and a proposed Law on Limited Liability Companies; providing direct corporate governance assistance to privatized enterprises; and running a public education campaign (including the publication of a bimonthly *Corporate Governance Newsletter*).

Finally, the Eurasia Foundation in July 2000 granted \$20,000 to the SMMA (now, the Armex) to work with it to develop: 1) a marketing program to support the growth of trading volumes; (2) marketing and other skills necessary to assume ownership of the development of the market place; and (3) programs to educate financial intermediaries. Eurasia is also reviewing grants for building the infrastructure of the Armex (\$29,000) and for fostering cooperation among the capital markets of Armenia, Azerbaijan, and Georgia (\$38,000).

In addition to the other USAID-financed activities listed above, PADCO is implementing a three-year (with possible extensions for up to five years) project that began in August 2000, among other things, to assist Armenia in establishing an integrated legal, regulatory, and information framework supporting sustainable social insurance programs, including pensions and unemployment benefits. To the extent that pension reform results in pension funds seeking investment opportunities, the partner implementing the capital markets development program described herein will collaborate with PADCO in that endeavor.

D. Motivation for Continued Support to Capital Markets Development

In spite of the progress to date in developing the infrastructure necessary for a well-functioning capital market, further headway is needed before the nascent financial markets will be able to raise capital for businesses. For this to happen, Armenians must develop the necessary skills to operate in the global economy, to understand what needs to be done to become more competitive, and the need for financial disclosure according to international standards. While continuing to institutionalize the development of the securities regulator, the stock exchange, and the depository, both the public and private sectors need to identify and alleviate the remaining impediments that hinder corporate governance and the country's international competitiveness.

In addition to further developing the skills and capacity of the securities market regulator, exchange, registry, and depository, technical assistance must be directed to the broker-dealers to help develop their skills so they can effectively provide financial intermediation for capital-starved, growing Armenian enterprises. The recent adoption of the LSMR and the pending adoption of the LJSC mean that the timing is opportune for technical assistance interventions aimed at developing the broker-dealer skills required to channel investment capital to growing Armenian companies.

Over the three years of the new activity, the focus of financial sector development will be on increasing financial intermediation, both through the securities market and other non-bank financial institutions. The new activity will emphasize coordination with all existing market reform programs in Armenia so that a consistent, comprehensive effort is made to improve the status of Armenian enterprises.

Armenia already has a considerable amount of preferential-rate credit line funding supplied by international organizations and donors, the largest of which are provided by the World Bank and the Lincy Foundation. There are also market rate credit line programs available through Shorebank and FINCA, although the volume of credit activated in these programs is still modest. In a related activity, a multiple-year SME-development project aims at assisting companies to improve their efficiency and competitiveness, strengthen their management and marketing, and expand the sale of Armenian products abroad and at home, with a resultant increase in employment opportunities. The activity described in this SOW will provide assistance to broker/dealers so that they will be able to assist enterprises – among them, ones that have benefited from our SME-assistance activity – to become more competitive, better functioning, and capable of creating new employment opportunities.

E. Organizing Themes

This new activity is intended to enhance the expertise being developed in the financial sector (including that of the regulator of that sector), through various capital markets projects. Toward developing an environment conducive to attracting foreign investment, building strong enterprises, and creating jobs, the following are offered as organizing (crosscutting) themes for proposals.

1. Exploiting the economic potential of Armenia's nascent non-bank financial markets through improved performance of entities providing financial intermediation to the private sector. This would be accomplished by: a) continuing work with the traditional capital market participants that were the main beneficiaries under the earlier Capital Markets Development Project, including the Armex, SCA, and CDA; b) raising capital by broker-dealers outside the stock exchange, but within the regulated capital market, through private placements; and c) identifying opportunities for pooling funds for investment in Armenian capital markets. These opportunities would include such sources as private insurance companies, private pension funds, international venture capital funds, and assisting broker-dealers in finding investment opportunities for those funds.

2. Enabling key groups of Armenians – including but not limited to broker-dealers, bank loan officers, accountants, insurance and pension fund staff, employees of the Armenian Development Agency, and selected enterprise managers – to fully understand and participate in financial intermediation. Market participants will benefit from greater exposure to the business practices of broker-dealers, investment bankers, and other engaged in the private placement business in more developed countries, as well as exposure to broker-dealers who underwrite corporate bond offerings elsewhere. Towards this end, this activity will develop: a) a public outreach component to explain to the population at large the importance of financial intermediation and capital markets in all their various forms; and b) a grant making mechanism to directly support NGOs and professional organizations in the capital markets sphere.

3. Establishing relationships and linkages with leading U.S. and/or international professional associations of broker-dealers and other securities market participants (NGOs), such as the (US) National Association of Securities Dealers, with a view to establishing partnerships between these bodies and relevant Armenian NGOs. Such partnerships will be valuable throughout the three-year term of this contract, and the contractor will be expected to work toward establishing such from the contract's inception.

4. Defining a feasible exit strategy. In this regard, the aforementioned relationships, linkages, and partnerships are expected to form a major component of this exit strategy. The partnerships in particular are expected to be the vehicle for carrying out capacity-building activities with such capital markets participants as broker-dealers, insurance agents, and pension fund operators beyond the life of this activity. After completion of this activity, and as defined as a benchmark below, the need for future USAID assistance to this sector will be limited to providing grant support to selected NGOs and professional organizations working in capital markets.

5. Coordinating with all existing market reform programs in Armenia so that a consistent, comprehensive effort is made to do the following: a) improve domestic financial intermediation; and b) pursue the previous four organizing themes. The activity will build on the new Armex, but will expand on the achievements of the prior project by bringing broker-dealers directly into the process of raising capital, both through and outside of the Armex.

III. Strategic Objective, Intermediate Results, and Proposed Activity Benchmarks

As noted in the Executive Summary, the activity to which this SOW pertains will support USAID's Strategic Objective (SO) 1.3: Growth of a Competitive Private Sector. Specifically, the work to be accomplished under this Activity will support Intermediate Result (IR) #3, Access to Financial Capital Increased. This activity directly supports two Lower Level (LL) IRs: 1) a viable, well-regulated capital market, and 2) a competitive, well-supervised financial sector. This activity will also contribute to the reorientation of the ROA from a centrally planned economy to a decentralized market-oriented economy. Proposers must clearly link approaches, sub-activities, and performance benchmarks to accomplishing SO 1.3, IR #3, and LLIRs #1) and 2). A list of proposed performance benchmarks to measure progress toward the IRs and LLIRs is presented below. Potential implementers are welcome to propose different, additional, and/or more relevant benchmarks, which will be finalized in the Work Plan.

The following benchmarks are listed in order of priority:

1. By the end of the SOW period, development of Armenia's capital markets will have proceeded to a stage where, because the Armex has become self-sustaining, the need for future USAID assistance (Phase III) to the sector will be limited to supporting NGO and professional partnerships between securities market participants in Armenia and their corresponding actors in the U.S. or internationally.
2. Broker-dealers thoroughly trained in domestic and international investment marketing activities in support of Armenian capital markets, including preparation of prospectuses and private placement memoranda; and
3. A communication program for public outreach in support of Armenian capital market activities developed and implemented nationwide.
4. At least three annual enforcement actions on the part of the SCA, such as the levying of fines and expulsion from the Armex;
5. A unit institutionalized within the SCA with the capacity to collect and evaluate financial data on the capital market, especially reports filed by issuers;
6. An integrated data base and Internet-accessible data-retrieval system established at the SCA, enabling it to operationalize disclosure requirements and generate information for public consumption on securities issuers;
7. Appropriate software installed and operating in support of a fully functioning central depository, including the automation of the clearing and settlement functions, using, where possible, capital markets software that is USAID-owned, public-domain, and reusable;
8. Appropriate hardware, software, office equipment, and furnishings installed and functional at the Armex to

facilitate the current and likely medium-term volume of trading there;

9. The conducting of at least one pilot corporate bond offering in the first year and two in each subsequent year annually, and one SRS offering annually, both on the stock exchange (Armex), in the latter case to the extent politically possible;
10. Annual expansion of annual turnover on the Armex by no less than 100 percent per year;
11. At least 20 percent annual increases in Armex and CDA membership;
12. SCA membership in the International Organization of Securities Commissions (IOSCO) or, failing that, demonstrable progress by the SCA towards meeting IOSCO standards;
13. Membership of the Armex in the International Federation of Securities Exchanges (FBIV) by the end of the period covered by this SOW;
14. Membership of the CDA in the International Securities Services Associations (ISSA) by the end of the period covered by this SOW;
15. Membership of either the SCA or the CDA in the Association of National Numbering Agencies (ANNA) by the end of the period covered by this SOW;
16. Professional linkages established between entities such as the Chicago Board of Trade, Chicago Board Options Exchange, Depository Trust & Clearing Corporation, New York Institute of Finance, and/or Chartered Financial Analysts, on the one hand, and relevant Armenian counterparts, on the other.

The implementer understands and agrees that achievement of the yet-to-be-finalized (agreed upon) benchmarks, relative to the above-mentioned IRs and LLIRs, are the essence of the contract. USAID will judge the contractor's success, or lack thereof, in the contract based upon whether or not the tangible results are achieved. Should the implementer recognize that any one or more of the tangible benchmarks are not achievable, then the contractor shall immediately advise USAID in writing and, in the next report required shall provide a complete explanation related thereto.

IV. Contractor Requirements/Scope of Work

Based on the existing USAID/Armenia strategic framework under S.O. 1.3: Growth of a Competitive Private Sector, and in order to provide financial intermediation to support the development of a healthy private sector in Armenia, the contractor shall implement two basic Tasks, each with its own subtasks.

1. The contractor shall provide technical assistance to support traditional capital market participants to support traditional capital market participants (e.g., the Armex, SCA, and CDA). This technical assistance, the implementation of which will begin at the start of the contract, shall be such as to enable:
 - a) The securities regulator to build the capacity to enforce regulations under the LSMR, while simultaneously encouraging the regulator to help facilitate market development (such capacity is to be evidenced by actual enforcement actions, where appropriate and necessary, which result in fines or expulsions);
 - b) The securities regulator to attain the capacity to collect and analyze financial data on the market, identify existing and potential problems and obstacles, and make timely resort to its rule-making and/or enforcement powers to address those problems and/or remove those obstacles (such capacity is to be evidenced, e.g., by the setting up of a relevant unit at the regulator);
 - c) The securities regulator to fully operationalize disclosure requirements under the LSMR and make issuers' information publicly accessible using appropriate communication technologies (such capacity is to be evidenced by the

development of an integrated data base and Internet-accessible data-retrieval system);

d) Broker-dealers and local businesses to identify companies that would benefit from the issuance of corporate debt through the stock exchange, agree to issue such debt, and qualify to issue it;

e) The securities regulator and broker-dealers to create and promote the functioning of a corporate bond market, and the regulator to regulate that market in keeping with international practice;

f) The securities regulator and broker-dealers to promote active secondary market trading (but not the clearing and settlement) of govt. securities on the Armex;

g) The Armex to have at its disposal the hardware, software, office equipment, and furnishings appropriate for providing an adequate environment to facilitate the current and likely medium-term volume of trading there;

h) The securities regulator and broker-dealers to educate enterprises and the GoA regarding the benefits of open and transparent financial markets and adequate financial disclosure, as well as of carrying out securities market operations according to International Organization of Securities Commissions (IOSCO) standards;

i) The regulator to assure that laws and regulations regarding securities are harmonized with the legal and regulatory structure of other aspects of the financial system, such as banking, insurance, pensions, leasing, and so on;

j) The CDA and the Armex to make substantial progress toward meeting IOSCO standards, in the process developing a timeline for achieving those standards, and working toward meeting that timeline;

k) The Armex to produce a satisfactory business plan for 2002, under which it will become self-sustaining by 2004; in the process, the contractor will (a) identify areas where technical assistance can be provided in order to achieve this goal; and (b) upon the approval by the CTO of that business plan, manage a subgrant mechanism to provide direct funding to the Armex in 2002 and 2003.

l) The relevant capital market bodies to join the relevant international bodies to which the leading institutions of their type belong (such as the Armex joining the FIBV, for other examples see Section IV.C);

m) The CDA and broker-dealers to work toward the automation of the clearing and settlement functions, progress toward which is to be evidenced by the development and installation of appropriate software (which, where possible, is USAID-owned, public-domain, and reusable) for a fully functioning central depository that is compatible with the RTS and its back office;

n) The MSPM to undertake additional SRS activities, at the rate of approximately three per year, to the extent politically possible;

o) The formation of partnerships with interested U.S. securities markets professional bodies;

p) The expansion of the membership of the relevant financial sector SROs to a broader base of financial sector participants; and

q) The expansion of training, marketing, networking, and public outreach by:

--providing opportunities for the regulator and market intermediaries to share experiences with their peers in, for example, the Transcaucasus and Central Asia, with an emphasis on learning how successful financial intermediation through capital markets has occurred elsewhere in the region, and how that experience can be replicated in Armenia;

--providing opportunities to the staff of the securities regulator and leading broker-dealers to participate in relevant formal training programs and study tours in developed and more advanced transition countries to enhance their understanding of the practical aspects of corporate finance and governance;

--providing on-the-job training to financial sector participants who participate in privatization efforts, such as SRS, that utilize the capital markets; and

--creating and implementing a communication plan, including support for public hearings, encompassing all aspects of the project. Proposals should assess all messages that should be used to communicate to the public for the benefit of the project, and working with the GoA to further public understanding of sound financial sector development (including shareholder rights, consumer education and protection). The Plan must determine the delivery mode and frequency of message delivery.

2. The contractor shall provide technical assistance to support the growth of non-bank financial intermediation outside of conventional securities markets. This is a self-standing Task of a design and implement nature. The outcome of the review and assessment, which is the first Subtask, will not affect the activities under Task 1.

a) Review and assess the prospects for and most appropriate forms of non-bank financial intermediation outside of conventional securities markets (including private placements). Proposals must include a detailed scope of work for this assessment, along with CVs of the consultant team tasked with carrying it out. The review and assessment will be submitted to USAID by no later than the end of the third month after the start of the contract. The final assessment report shall include a work plan governing the implementation of the activities under this Task. The review and assessment should take the following into account:

--current and likely medium-term conditions prevailing on Armenian financial markets;

--the need to maintain the viability and promote the growth of the Armex and other formal capital market institutions;

--the fact that SMEs in their early stages of development and rapidly growing enterprises of all sizes have capital needs which traditional capital market institutions may be unable to satisfy or for which those institutions are inappropriate; and

--the fact that a range of financial instruments with varying degrees of risk should be available to Armenian investors, but that appropriate legal and regulatory regimes must be in place for each of those instruments before their widespread application in the country.

b) The types of issues considered in the assessment shall include, but not necessarily be restricted to, the following:

--private placements, where the pool of potential investors includes both domestic and international (especially, Armenian Diaspora) actors, and where the companies in question would operate in such sectors as agribusiness and ICT;

--ways for investment vehicles created under ongoing pension reform to channel pooled savings to Armenian capital markets, this portion of the assessment will be conducted in collaboration with USAID's social transition implementing partner;

--relevant international venture (or risk) capital funds (in particular, ones that pool investment resources from Diaspora Armenians); and

--the appropriate role of Armenian broker-dealers as counterparts with respect to the full gamut of forms of non-bank financial intermediation. In particular, it should evaluate whether these individuals are the appropriate focus for all the various forms of such intermediation, so that they assume the roles played in more developed economies by such

other actors as investment bankers and insurance company investment managers. If not, the assessment should identify the most appropriate counterparts for each form of intermediation, which it recommends as appropriate under Armenian conditions.

c) Based on the approved work plan, the contractor will take concrete actions (including further analyses, if needed), to promote the forms of non-traditional financial intermediation recommended by the assessment.

For example, if private placements are viewed as feasible and appropriate, the contractor will work with Armenian broker-dealers, local businesses, and USAID and other donor grantees and contractors working in SME development to identify local companies in such sectors as agribusiness and ICT which would benefit from private placements. Important components would include: conferring with company management to learn their financial and business objectives; reviewing financial data to determine suitability for issuance; preparation of both prospectuses and private placement memoranda; and conducting related domestic and international marketing activities.

d) Expand training, marketing, networking, and public outreach by

-- providing opportunities to, where applicable, bank loan officers, accountants, insurance and pension fund staff, employees of the Armenian Development Agency, and selected enterprise managers, to participate in relevant formal training programs and study tours in developed and more advanced transition countries to enhance their understanding of the practical aspects of corporate finance and governance;

-- developing and delivering training programs to assist financial sector participants to obtain capital markets-related skills beyond those associated with formal securities market activities, with the focus on enterprise restructuring, private placement activity, and enterprise promotion (including, e.g., prospectus writing & distribution); and

-- identifying and working with U.S. or international professional associations of capital markets participants (NGOs) other than broker-dealers, including insurance agents, bank loan officers, staff of government economic development and investment promotion agencies, pension fund managers, and so on, with a view to establishing partnerships with equivalent Armenian counterparts.

V. Major Deliverables and Reporting Schedule

1. Major Deliverables

The major deliverables under this RFP are repeated as follows:

a. Work Plan: The first year's overall work plan covering all of Task 1 and the three month assessment phase of Task 2 is to be submitted with the proposal for this RFP.

b. Armex Business Plan: The business plan according to which the Armex will be self-sustaining starting in 2004 is due within 90 days of the start of the contract (see IV.1.k under Contractor Requirements/Scope of Work).

c. Non-traditional non-bank financial intermediation Assessment Report and Work Plan: This review and assessment will be submitted to USAID by no later than the end of the third month after the start of the contract (see IV.2.a and b Contractor Requirements/Scope of Work).

2. Reporting Schedule

a. Technical Reports: Technical reports shall be delivered by the implementer according to schedules as agreed in the approved Technical Proposals and any associated Work Plans.

b. Monthly/Quarterly Status Reports: Such reports shall be submitted to the CTO, as identified below, within ten business days of the end of each period. These Reports are meant to be concise status reporting mechanisms that summarize results/progress and identify developing issues and problems, according to an agreed upon format that can easily be updated and include the following:

- identification of all professionals involved in rendering assistance and their respective roles and responsibilities;
- summary of progress on major implementation steps;
- identification and description of implementation problems and proposed actions to address those problems;
- impacts achieved as a result of a USAID intervention or advocacy. An impact can be considered a change in policy or a change in behavior as a result of the assistance;
- input to the Mission's annual results review report (R4) and Activity Manager Monitoring Reports, including a summary of impacts and data on progress toward achieving targets;
- discussion of interaction with counterpart(s), and any necessary alterations to the initial timetable; and
- updated pipeline analysis including obligations, disbursement, and accruals.

VI. Counterpart Clearance and Coordination

The counterparts for this Activity will be the SCA, CDA, and Armex, along with any other Armenian capital market participants not included within these three bodies. The Contractor will coordinate directly with USAID/Armenia and the Armenian counterpart entities on administrative, management, and technical issues.

The Contractor shall report directly to the Cognizant Technical Officer (CTO), USAID/Armenia who: a) provides technical oversight for fiscal reform, b) reviews programs with key country officials, and c) serves as Coordinator with other donors, government agencies and private organizations. All technical interpretations and re-directions are the responsibility of the CTO as the representative of USAID.

For resident advisors, prior country clearance by the U.S. Embassy/Armenia is required. Subsequent arrival and departure in connection with routine business will only require approval of the CTO. All short-term consultants travel to Armenia will require prior country clearance as indicated above. In-country travel is authorized in conjunction with work requirements approved by the CTO and applicable laws/regulations of Armenia.

Resident advisors are required to brief the CTO at regular intervals or upon request, and short-term advisors are required to brief the USAID Project Office on all in-country trips.

The Contractor shall obtain the prior approval of the CTO, USAID/Armenia, if personnel assigned to this Activity plan to work on other projects or activities in the NIS or another country at any time during this Activity.

SECTION D - PACKAGING AND MARKING**D.1 AIDAR 752.7009 MARKING (JAN 1993)**

(a) It is USAID policy that USAID-financed commodities and shipping containers, and project construction sites and other project locations be suitably marked with the USAID emblem. Shipping containers are also to be marked with the last five digits of the USAID financing document number. As a general rule, marking is not required for raw materials shipped in bulk (such as coal, grain, etc.), or for semifinished products which are not packaged.

(b) Specific guidance on marking requirements should be obtained prior to procurement of commodities to be shipped, and as early as possible for project construction sites and other project locations. This guidance will be provided through the cognizant technical office indicated on the cover page of this contract, or by the Mission Director in the Cooperating Country to which commodities are being shipped, or in which the project site is located.

(c) Authority to waive marking requirements is vested with the Regional Assistant Administrators, and with Mission Directors.

(d) A copy of any specific marking instructions or waivers from marking requirements is to be sent to the Contracting Officer; the original should be retained by the Contractor.

[FOR THIS SOLICITATION, THERE ARE NO CLAUSES IN THIS SECTION]

SECTION E - INSPECTION AND ACCEPTANCE**E.1 NOTICE LISTING CONTRACT CLAUSES INCORPORATED BY REFERENCE**

The following contract clauses pertinent to this section are hereby incorporated by reference (by Citation Number, Title, and Date) in accordance with the clause at FAR "52.252-2 CLAUSES INCORPORATED BY REFERENCE" in Section I of this contract. See FAR 52.252-2 for an internet address (if specified) for electronic access to the full text of a clause.

| NUMBER | TITLE | DATE |
|-----------|---|----------|
| | FEDERAL ACQUISITION REGULATION (48 CFR Chapter 1) | |
| 52.246-1 | CONTRACTOR INSPECTION REQUIREMENTS | APR 1984 |
| 52.246-5 | INSPECTION OF | APR 1984 |
| | SERVICES--COST-REIMBURSEMENT | |
| 52.246-15 | CERTIFICATE OF CONFORMANCE | APR 1984 |

E.2 INSPECTION AND ACCEPTANCE

USAID inspection and acceptance of services, reports and other required deliverables or outputs shall take place at:

EREO/USAID/Armenia
18 Marshall Baghramian Avenue
Yerevan 375019, Armenia

or at any other location where the services are performed and reports and deliverables or outputs are produced or submitted. The CTO listed in Section G has been delegated authority to inspect and accept all services, reports and required deliverables or outputs.

SECTION F - DELIVERIES OR PERFORMANCE**F.1 NOTICE LISTING CONTRACT CLAUSES INCORPORATED BY REFERENCE**

The following contract clauses pertinent to this section are hereby incorporated by reference (by Citation Number, Title, and Date) in accordance with the clause at FAR "52.252-2 CLAUSES INCORPORATED BY REFERENCE" in Section I of this contract. See FAR 52.252-2 for an internet address (if specified) for electronic access to the full text of a clause.

| NUMBER | TITLE | DATE |
|-----------|--|----------|
| 52.242-15 | FEDERAL ACQUISITION REGULATION (48 CFR Chapter 1) STOP-WORK ORDER ALTERNATE I (APR 1984) | AUG 1989 |

F.2 PERIOD OF PERFORMANCE

The period of performance for this contract is 02/08/2002 through 02/07/2005.

F.3 PERFORMANCE STANDARDS

Evaluation of the Contractor's overall performance in accordance with the performance standards set forth in Section C, Tangible Results and Deliverables, will be conducted jointly by the CTO and the Contracting Officer, and shall form the basis of the Contractor's permanent performance record with regard to this contract.

F.4 REPORTS AND DELIVERABLES OR OUTPUTS

In addition to the requirements set forth for submission of reports in Sections I and J and in the AIDAR clause 752.242-70, Periodic Progress Reports, the Contractor shall submit the following deliverables or outputs to the CTO specified in Section G:

See section C.V Major Deliverables and Reporting Schedule of the SOW.

F.5 PROGRESS REPORTING REQUIREMENTS**752.242-70 PERIODIC PROGRESS REPORTS (JUL 1998)**

(a) The contractor shall prepare and submit progress reports as specified in the Schedule of this contract. These reports are separate from the interim and final performance evaluation reports prepared by USAID in accordance with (48 CFR) FAR 42.15 and internal Agency procedures, but they may be used by USAID personnel or their authorized representatives when evaluating the contractor's performance.

(b) During any delay in furnishing a progress report required under this contract, the contracting officer may withhold from payment an amount not to exceed US \$25,000 (or local currency equivalent) or 5 percent of the amount of this contract, whichever is less, until such time as the contracting officer determines that the delay no longer has a detrimental effect on the Government's ability to monitor the contractor's progress.

F.6 KEY PERSONNEL

A. The key personnel which the Contractor shall furnish for the performance of this contract are as follows:

| Name | Title |
|------|-------|
|------|-------|

B. The personnel specified above are considered to be essential to the work being performed hereunder. Prior to replacing any of the specified individuals, the Contractor shall immediately notify both the Contracting Officer and USAID Cognizant Technical Officer reasonably in advance and shall submit written justification (including proposed substitutions) in sufficient detail to permit evaluation of the impact on the program. No replacement of personnel shall be made by the Contractor without the written consent of the Contracting Officer.

F.7 SUBMISSION OF DEVELOPMENT EXPERIENCE DOCUMENTATION TO PPC/CDIE/DI

USAID contractors must submit one electronic and/or one hard copy of development experience documentation (electronic copies are preferred) to the Development Experience Clearinghouse at the following address.

Development Experience Clearinghouse
1611 N. Kent Street, Suite 200
Arlington, VA 22209-2111

Telephone Number 703-351-4006, ext. 100
Fax Number 703-351-4039
E-mail: docsubmit@dec.cdie.org
<http://www.dec.org>

SECTION G - CONTRACT ADMINISTRATION DATA

752.7003

DOCUMENTATION FOR PAYMENT

NOV 1998

G.1 ADMINISTRATIVE CONTRACTING OFFICE

The Administrative Contracting Office is:

Regional Contracting Office
USAID/Caucasus
20 Telavi Street
Tbilisi 380003, Georgia

G.2 COGNIZANT TECHNICAL OFFICER (CTO)

The Cognizant Technical Officer is Michael Wyzan or his or her designee at:

EREO/USAID/Armenia
18 Marshall Baghramian Avenue
Yerevan 375019, Armenia
Fax: (374 1) 543 871
Telephone: (374 1) 543 835

G.3 TECHNICAL DIRECTIONS/RELATIONSHIP WITH USAID

(a) Technical Directions is defined to include:

- (1) Written directions to the Contractor which fill in details, suggest possible lines of inquiry, or otherwise facilitate completion of work;
- (2) Provision of written information to the Contractor which assists in the interpretation of drawings, specifications, or technical portions of the work statement;
- (3) Review and, where required, provide written approval of technical reports, drawings, specifications, or technical information to be delivered. Technical directions must be in writing, and must be within the scope of the work as detailed in Section C.

(b) The CTO is authorized by designation to take any or all action with respect to the following which could lawfully be taken by the Contracting Officer, except any action specifically prohibited by the terms of this Contract:

- (1) Assure that the Contractor performs the technical requirements of the contract in accordance with the contract terms, conditions, and specifications.
- (2) Perform or cause to be performed, inspections necessary in connection with a) above and require the Contractor to correct all deficiencies; perform acceptance for the Government.
- (3) Maintain all liaison and direct communications with the Contractor. Written communications with the Contractor and documents shall be signed as "Cognizant Technical Officer" with a copy furnished to the Contracting Officer.

(4) Issue written interpretations of technical requirements of Government drawings, designs, and specifications.

(5) Monitor the Contractor's production or performance progress and notify the Contractor in writing of deficiencies observed during surveillance, and direct appropriate action to effect correction. Record and report to the Contracting Officer incidents of faulty or nonconforming work, delays or problems.

(6) Obtain necessary security clearance and appropriate identification if access to Government facilities is required. If to be provided, ensure that Government furnished property is available when required.

LIMITATIONS: The CTO is not empowered to award, agree to, or sign any contract (including delivery or purchase orders) or modifications thereto, or in any way to obligate the payment of money by the Government. The CTO may not take any action which may impact on the contract schedule, funds, scope or rate of utilization of LOE. All contractual agreements, commitments, or modifications which involve prices, quantities, quality, schedules shall be made only by the Contracting Officer.

(c) The CTO is required to meet quarterly/semi-annually/annually with the Contractor and the Contracting Officer concerning performance of items delivered under this contract and any other administration or technical issues. Telephonic reports may be made if no problems are being experienced. Problem areas should be brought to the immediate attention of the Contracting Officer.

(d) In the absence of the designated CTO, the CTO may designate someone to serve as CTO in their place. However, such action to direct an individual to act in the CTO's stead shall immediately be communicated to the Contractor and the Contracting Officer.

(e) **Contractual Problems** - Contractual problems, of any nature, that may arise during the life of the contract must be handled in conformance with specific public laws and regulations (i.e. Federal Acquisition Regulation and Agency for International Development Acquisition Regulation). The Contractor and the CTO shall bring all contracting problems to the immediate attention of the Contracting Officer. Only the Contracting Officer is authorized to formally resolve such problems. The Contracting Officer will be responsible for resolving legal issues, determining contract scope and interpreting contract terms and conditions. The Contracting Officer is the sole authority authorized to approve changes in any of the requirements under this contract. Notwithstanding any clause contained elsewhere in this contract, the said authority remains solely with the Contracting Officer. These changes include, but will not be limited to the following areas: scope of work, price, quantity, technical specifications, delivery schedules, and contract terms and conditions. In the event the Contractor effects any changes at the direction of any other person other than the Contracting Officer, the change will be considered to have been made without authority.

(f) Failure by the Contractor to report to the Administrative Contracting Office, any action by the Government considered to a change, within the specified number of days contained in FAR 52.243-7 (Notification of Changes), waives the Contractor's right to any claims for equitable adjustments.

G.4 PAYING OFFICE

The paying office for this contract is:

OFM/USAID/Armenia
18 Marshall Baghramian Avenue
Yerevan 375019, Armenia

G.5 ACCOUNTING AND APPROPRIATION DATA

Budget Fiscal: 2002

Operating Unit:

Strategic Objective: 1.3

Team/Division: EREO

Benefiting Geo Area: 111

Object Class:

Amount Obligated:

SECTION H - SPECIAL CONTRACT REQUIREMENTS

752.7027

PERSONNEL

DEC 1990

H.1 AIDAR 752.7032 INTERNATIONAL TRAVEL APPROVAL AND NOTIFICATION REQUIREMENTS AND AIDAR 752.7027 PERSONNEL

In accordance with the above clauses, the Contracting Officer hereby provides prior written approval for international travel, provided that concurrence with the assignment of individuals outside the United States is obtained by the Contractor, in writing, from the CTO prior to their assignment abroad, which must be within the terms of this contract, is subject to availability of funds, and should not be construed as authorization either to increase the estimated cost or to exceed the obligated amount (see Section B). The Contractor shall retain for audit purposes a copy of each travel concurrence.

H.2 INSURANCE AND SERVICES

(a) Pursuant to AIDAR 752.228-3 Worker's Compensation Insurance (Defense Base Act); USAID's DBA insurance carrier is:

Rutherford International, Inc.
5500 Cherokee Avenue, Suite 300
Alexandria, VA 22312

Points of Contact:
Sara Payne or Diane Ford
(703) 354-1616

Hours of Operation are: 8 a.m. to 5 p.m. (EST)
Telefax: 703) 354-0370
E-Mail: www.rutherford.com

(b) Pursuant to AIDAR 752.228-70 Medical Evacuation (MEDEVAC) Services, USAID's Medevac service provider is:

Medex Assistance Corporation
P.O. Box 5375
Timonium, MD 21094-5375
Telephone: (410) 453-6300 in Maryland;
or (800) 537-2029 (toll-free)
Telefax: (410) 453-6301

Applicants should request coverage in accordance with USAID Contract No. HNE-Q-00-98-00106-00.

Medevac services costs are allowable as a direct cost.

H.3 AUTHORIZED GEOGRAPHIC CODE

The authorized geographic code for procurement of goods and services under this contract is 000 & 110.

H.4 NONEXPENDABLE PROPERTY PURCHASES AND INFORMATION TECHNOLOGY RESOURCES

The Contractor is hereby authorized to purchase the following equipment and/or resources:

H.5 LOGISTIC SUPPORT

The Contractor shall be responsible for furnishing all logistic support in the United States and overseas.

H.6 PERSONNEL COMPENSATION

(a) Limitations:

(1) Salaries and wages may not exceed the Contractor's established policy and practice, including the Contractor's established pay scale for equivalent classifications of employees, which shall be certified to by the Contractor. Nor may any individual salary or wage, without approval of the Cognizant Contracting Officer, exceed the employee's current salary or wage, or the highest rate of annual salary or wage received during any full year of the immediately preceding three (3) years.

(2) In addition, there is a ceiling on the reimbursable base salary or wage paid to personnel under the Contract equivalent to the maximum annual salary rate of the USAID "ES-6" (or the equivalent daily rate of the maximum ES-6 salary, if compensation is not calculated on an annual basis), as amended from time to time, unless an advance written waiver is granted by the USAID Procurement Executive prior to contract award.

(b) Salaries During Travel

Salaries and wages paid while in travel status will not be reimbursed for a travel period greater than the time required for travel by the most direct and expeditious air route.

(c) Return of Overseas Employees

Salaries and wages paid to an employee serving overseas who is discharged by the Contractor for misconduct, inexcusable non- performance, or security reasons will in no event be reimbursed for a period which extends beyond the time required to return him promptly to his point of origin by the most direct and expeditious air route.

(d) Annual Salary Increases

One annual salary increase (includes promotional increase) of not more than the annual cost-of-living adjustment (COLA) received by Federal General Schedule (GS) employees may be granted after the employee's completion of each twelve month period of satisfactory services under the contract. Annual salary increases of any kind exceeding these limitations or exceeding the maximum salary of ES-6 may be granted only with the advance written approval of the Contracting Officer.

(e) Consultants

No compensation for consultants will be reimbursed unless their use under the contract has advance written approval of the Contracting Officer; and if such provision has been made or approval given, compensation shall not exceed 1) the highest rate of annual compensation received by the consultant during any full year of the immediately preceding three years or 2) the maximum daily salary rate of ES-6, whichever is less.

(f) Initial Salaries

The initial starting salaries of all employees whose salaries are charged as a direct cost to this contract must be approved, in advance and in writing, by the Contracting Officer. (any initial starting salaries included in the contractor's best and final and accepted during negotiations, are deemed approved upon contract execution).

NOTE: The daily rate of a Foreign Service officer Class 1 (ES-6) is determined by dividing the annual salary by 2087 hours and multiplying the quotient by 8.

NOTE: Any Approvals issued pursuant to the above sections shall be retained by the Contractor for audit purposes. Approvals issued pursuant to the above must be within the terms of this contract, and shall not serve to increase the total estimated cost or the obligated amount of this contract, whichever is less (see Part I, Section B.3 of this contract).

(g) Work Week

(1) Nonoverseas Employees. The length of the contractor's U.S., non-overseas employees workday shall be in accordance with the contractor's established policies and practices and shall not be less than 8 hours per day and 40 hours per week.

(2) Overseas Employee

The work week for the Contractor's overseas employees shall not be less than 40 hours and shall be scheduled to coincide with the work week for those employees of the USAID Mission and the Cooperation Country associated with the work of this contract.

(h) Definitions

As used herein, the terms "Salaries," "Wages," and "Compensation" mean the periodic remuneration received for professional or technical services rendered, exclusive of any of the differentials or allowances defined in the clause of this contract entitled "Differentials and Allowances" (AIDAR 752.7028), unless otherwise stated. The term "compensation" includes payments for personal services (including fees and honoraria). It excludes earnings from sources other than the individual's professional or technical work, overhead, or other charges (see also the clause of this contract entitled "Personnel Compensation" (AIDAR 752.70071).

H.7 SUBCONTRACTING PLAN AND THE SF 294 – SUBCONTRACTING REPORT FOR INDIVIDUAL CONTRACTS AND SF 295 – SUMMARY CONTRACTING REPORT

The Contractor's subcontracting plan dated is hereby incorporated as a material part of this contract.

In accordance with FAR 52.219-9, SF 294 and SF 295 should be forwarded to the following address:

U.S. Agency for International Development
Office of Small and Disadvantaged Business
Utilization
Room 7.08 RRB
Washington, D.C. 20523

PART II - CONTRACT CLAUSES**SECTION I - CONTRACT CLAUSES****I.1 NOTICE LISTING CONTRACT CLAUSES INCORPORATED BY REFERENCE**

The following contract clauses pertinent to this section are hereby incorporated by reference (by Citation Number, Title, and Date) in accordance with the clause at FAR "52.252-2 CLAUSES INCORPORATED BY REFERENCE" in Section I of this contract. See FAR 52.252-2 for an internet address (if specified) for electronic access to the full text of a clause.

| NUMBER | TITLE | DATE |
|-----------|---|----------|
| | FEDERAL ACQUISITION REGULATION (48 CFR Chapter 1) | |
| 52.202-1 | DEFINITIONS | MAR 2001 |
| 52.203-3 | GRATUITIES | APR 1984 |
| 52.203-5 | COVENANT AGAINST CONTINGENT FEES | APR 1984 |
| 52.203-6 | RESTRICTIONS ON SUBCONTRACTOR SALES TO THE GOVERNMENT | JUL 1995 |
| 52.203-7 | ANTI-KICKBACK PROCEDURES | JUL 1995 |
| 52.203-8 | CANCELLATION, RESCISSION, AND RECOVERY OF FUNDS FOR ILLEGAL OR IMPROPER ACTIVITY | JAN 1997 |
| 52.203-10 | PRICE OR FEE ADJUSTMENT FOR ILLEGAL OR IMPROPER ACTIVITY | JAN 1997 |
| 52.203-12 | LIMITATION ON PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS | JUN 1997 |
| 52.204-4 | PRINTED OR COPIED DOUBLE-SIDED ON RECYCLED PAPER | AUG 2000 |
| 52.209-6 | PROTECTING THE GOVERNMENT'S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT | JUL 1995 |
| 52.215-2 | AUDIT AND RECORDS--NEGOTIATION | JUN 1999 |
| 52.215-8 | ORDER OF PRECEDENCE--UNIFORM CONTRACT FORMAT | OCT 1997 |
| 52.215-10 | PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA | OCT 1997 |
| 52.215-12 | SUBCONTRACTOR COST OR PRICING DATA | OCT 1997 |
| 52.215-14 | INTEGRITY OF UNIT PRICES | OCT 1997 |
| 52.215-15 | PENSION ADJUSTMENTS AND ASSET REVERSIONS (DEC 1998) | DEC 1998 |
| 52.215-18 | REVERSION OR ADJUSTMENT OF PLANS FOR POSTRETIREMENT BENEFITS OTHER THAN PENSIONS (PRB) | OCT 1997 |
| 52.215-19 | NOTIFICATION OF OWNERSHIP CHANGES | OCT 1997 |
| 52.216-7 | ALLOWABLE COST AND PAYMENT | MAR 2000 |
| 52.216-8 | FIXED-FEE | MAR 1997 |
| 52.217-2 | CANCELLATION UNDER MULTIYEAR CONTRACTS | OCT 1997 |
| 52.219-4 | NOTICE OF PRICE EVALUATION PREFERENCE FOR HUBZONE SMALL BUSINESS CONCERNS (JAN 1999) | JAN 1999 |

| | | |
|------------|--|----------|
| 52.219-8 | UTILIZATION OF SMALL BUSINESS CONCERNS | OCT 2000 |
| 52.219-9 | SMALL BUSINESS SUBCONTRACTING PLAN ALTERNATE II (OCT 2000) | OCT 2000 |
| 52.219-16 | LIQUIDATED DAMAGES-SMALL BUSINESS SUBCONTRACTING PLAN | JAN 1999 |
| 52.219-25 | SMALL DISADVANTAGED BUSINESS PARTICIPATION PROGRAM--DISADVANTAGED STATUS AND REPORTING | OCT 1999 |
| 52.222-3 | CONVICT LABOR | AUG 1996 |
| 52.222-21 | PROHIBITION OF SEGREGATED FACILITIES | FEB 1999 |
| 52.223-6 | DRUG-FREE WORKPLACE | MAR 2001 |
| 52.225-13 | RESTRICTIONS ON CERTAIN FOREIGN PURCHASES | JUL 2000 |
| 52.227-2 | NOTICE AND ASSISTANCE REGARDING PATENT AND COPYRIGHT INFRINGEMENT | AUG 1996 |
| 52.227-14 | RIGHTS IN DATA--GENERAL | JUN 1987 |
| 52.228-7 | INSURANCE--LIABILITY TO THIRD PERSONS | MAR 1996 |
| 52.230-2 | COST ACCOUNTING STANDARDS | APR 1998 |
| 52.230-6 | ADMINISTRATION OF COST ACCOUNTING STANDARDS | APR 1996 |
| 52.232-17 | INTEREST | JUN 1996 |
| 52.232-22 | LIMITATION OF FUNDS | APR 1984 |
| 52.232-23 | ASSIGNMENT OF CLAIMS | JAN 1986 |
| 52.233-1 | DISPUTES | DEC 1998 |
| 52.233-3 | PROTEST AFTER AWARD ALTERNATE I (JUN 1985) | AUG 1996 |
| 52.242-1 | NOTICE OF INTENT TO DISALLOW COSTS | APR 1984 |
| 52.242-3 | PENALTIES FOR UNALLOWABLE COSTS | MAR 2001 |
| 52.242-4 | CERTIFICATION OF FINAL INDIRECT COSTS | JAN 1997 |
| 52.242-13 | BANKRUPTCY | JUL 1995 |
| 52.243-2 | CHANGES--COST REIMBURSEMENT ALTERNATE I (APR 1984) | AUG 1987 |
| 52.244-2 | SUBCONTRACTS ALTERNATE II (AUG 1998) | AUG 1998 |
| 52.244-5 | COMPETITION IN SUBCONTRACTING | DEC 1996 |
| 52.244-6 | SUBCONTRACTS FOR COMMERCIAL ITEMS AND COMMERCIAL COMPONENTS | MAR 2001 |
| 52.246-23 | LIMITATION OF LIABILITY | FEB 1997 |
| 52.246-25 | LIMITATION OF LIABILITY--SERVICES | FEB 1997 |
| 52.249-6 | TERMINATION (COST-REIMBURSEMENT) | SEP 1996 |
| 52.249-14 | EXCUSABLE DELAYS | APR 1984 |
| 52.253-1 | COMPUTER GENERATED FORMS | JAN 1991 |
| 752.202-1 | DEFINITIONS | |
| 752.211-70 | LANGUAGE AND MEASUREMENT | JUN 1992 |
| 752.226-2 | SUBCONTRACTING WITH DISADVANTAGED ENTERPRISE | APR 1997 |
| 752.226-3 | LIMITATIONS ON SUBCONTRACTING | JUN 1993 |
| 752.228-7 | INSURANCE-LIABILITY TO THIRD PERSONS | |
| 752.228-70 | MEDICAL EVACUATION (MEDVAC) SERVICES | MAR 1993 |
| 752.242-70 | PERIODIC PROGRESS REPORTS | JUL 1998 |
| 752.7001 | BIOGRAPHICAL DATA | JUL 1997 |
| 752.7002 | TRAVEL AND TRANSPORTATION | JAN 1990 |
| 752.7006 | NOTICES | APR 1984 |
| 752.7007 | PERSONNEL COMPENSATION | JUL 1996 |

| | | |
|----------|---|----------|
| 752.7008 | USE OF GOVERNMENT FACILITIES OR PERSONNEL | APR 1984 |
| 752.7010 | CONVERSION OF U.S. DOLLARS TO LOCAL CURRENCY | APR 1984 |
| 752.7011 | ORIENTATION AND LANGUAGE TRAINING | APR 1984 |
| 752.7013 | CONTRACTOR-MISSION RELATIONSHIPS | OCT 1989 |
| 752.7014 | NOTICE OF CHANGES IN TRAVEL REGULATIONS | JAN 1990 |
| 752.7015 | USE OF POUCH FACILITIES | JUL 1997 |
| 752.7018 | HEALTH AND ACCIDENT COVERAGE FOR USAID PARTICIPANT TRAINEES | JAN 1999 |
| 752.7019 | PARTICIPANT TRAINING | JAN 1999 |
| 752.7023 | REQUIRED VISA FORM FOR USAID PARTICIPANTS | APR 1984 |
| 752.7025 | APPROVALS | APR 1984 |
| 752.7028 | DIFFERENTIALS AND ALLOWANCES | JUL 1996 |
| 752.7029 | POST PRIVILEGES | JUL 1993 |
| 752.7033 | PHYSICAL FITNESS | JUL 1997 |

I.2 52.204-1 APPROVAL OF CONTRACT (DEC 1989)

This contract is subject to the written approval of Carlton M. Bennett and shall not be binding until so approved.

I.3 52.219-23 NOTICE OF PRICE EVALUATION ADJUSTMENT FOR SMALL DISADVANTAGED BUSINESS CONCERNS (MAR 2001)

(a) Definitions. As used in this clause--

Small disadvantaged business concern means an offeror that represents, as part of its offer, that it is a small business under the size standard applicable to this acquisition; and either--

(1) It has received certification by the Small Business Administration as a small disadvantaged business concern consistent with 13 CFR 124, Subpart B; and

(i) No material change in disadvantaged ownership and control has occurred since its certification;

(ii) Where the concern is owned by one or more disadvantaged individuals, the net worth of each individual upon whom the certification is based does not exceed \$750,000 after taking into account the applicable exclusions set forth at 13 CFR 124.104(c)(2); and

(iii) It is identified, on the date of its representation, as a certified small disadvantaged business concern in the database maintained by the Small Business Administration (PRO-Net).

(2) It has submitted a completed application to the Small Business Administration or a Private Certifier to be certified as a small disadvantaged business concern in accordance with 13 CFR 124, Subpart B, and a decision on that application is pending, and that no material change in disadvantaged ownership and control has occurred since its application was submitted. In this case, in order to receive the benefit of a price evaluation adjustment, an offeror must receive certification as a small disadvantaged business concern by the Small Business Administration prior to contract award; or

(3) Is a joint venture as defined in 13 CFR 124.1002(f).

Historically black college or university means an institution determined by the Secretary of Education to meet the requirements of 34 CFR 608.2. For the Department of Defense (DoD), the National Aeronautics and Space Administration (NASA), and the Coast Guard, the term also includes any nonprofit research institution that was an integral part of such a college or university before November 14, 1986.

Minority institution means an institution of higher education meeting the requirements of Section 1046(3) of the Higher Education Act of 1965 (20 U.S.C. 1067k, including a Hispanic-serving institution of higher education, as defined in Section 316(b)(1) of the Act (20 U.S.C. 1101a)).

United States means the United States, its territories and possessions, the Commonwealth of Puerto Rico, the U.S. Trust Territory of the Pacific Islands, and the District of Columbia.

(b) Evaluation adjustment. (1) The Contracting Officer will evaluate offers by adding a factor of percent to the price of all offers, except--

(i) Offers from small disadvantaged business concerns that have not waived the adjustment;

(ii) An otherwise successful offer of eligible products under the Trade Agreements Act when the dollar threshold for application of the Act is equaled or exceeded (see section 25.402 of the Federal Acquisition Regulation (FAR));

(iii) An otherwise successful offer where application of the factor would be inconsistent with a Memorandum of Understanding or other international agreement with a foreign government;

(iv) For DoD, NASA, and Coast Guard acquisitions, an otherwise successful offer from a historically black college or university or minority institution; and

(v) For DoD acquisitions, an otherwise successful offer of qualifying country end products (see sections 225.000-70 and 252.225-7001 of the Defense FAR Supplement).

(2) The Contracting Officer will apply the factor to a line item or a group of line items on which award may be made. The Contracting Officer will apply other evaluation factors described in the solicitation before application of the factor. The factor may not be applied if using the adjustment would cause the contract award to be made at a price that exceeds the fair market price by more than the factor in paragraph (b)(1) of this clause.

(c) Waiver of evaluation adjustment. A small disadvantaged business concern may elect to waive the adjustment, in which case the factor will be added to its offer for evaluation purposes. The agreements in paragraph (d) of this clause do not apply to offers that waive the adjustment.

[] Offeror elects to waive the adjustment.

(d) Agreements. (1) A small disadvantaged business concern, that did not waive the adjustment, agrees that in performance of the contract, in the case of a contract for --

(i) Services, except construction, at least 50 percent of the cost of personnel for contract performance will be spent for employees of the concern;

(ii) Supplies (other than procurement from a nonmanufacturer of such supplies), at least 50 percent of the cost of manufacturing, excluding the cost of materials, will be performed by the concern;

(iii) General construction, at least 15 percent of the cost of the contract, excluding the cost of materials, will be performed by employees of the concern; or

(iv) Construction by special trade contractors, at least 25 percent of the cost of the contract, excluding the cost of materials, will be performed by employees of the concern.

(2) A small disadvantaged business concern submitting an offer in its own name agrees to furnish in performing this contract only end items manufactured or produced by small disadvantaged business concerns in the United States. This paragraph does not apply in connection with construction or service contracts.

I.4 52.219-26 SMALL DISADVANTAGED BUSINESS PARTICIPATION PROGRAM--INCENTIVE SUBCONTRACTING (OCT 2000)

(a) Of the total dollars it plans to spend under subcontracts, the Contractor has committed itself in its offer to try to award a certain amount to small disadvantaged business concerns in the North American Industry Classification System (NAICS) Industry Subsectors as determined by the Department of Commerce.

(b) If the Contractor exceeds its total monetary target for subcontracting to small disadvantaged business concerns in the authorized SIC Major Groups, it will receive percent of the dollars in excess of the monetary target, unless the Contracting Officer determines that the excess was not due to the Contractor's efforts (e.g., a subcontractor cost overrun caused the actual subcontract amount to exceed that estimated in the offer, or the excess was caused by the award of subcontracts that had been planned but had not been disclosed in the offer during contract negotiations). Determinations made under this paragraph are not subject to the Disputes clause of this contract.

(c) If this is a cost-plus-fixed-fee contract, the sum of the fixed fee and the incentive fee earned under this contract may not exceed the limitations in subsection 15.404-4 of the Federal Acquisition Regulation.

I.5 52.232-25 PROMPT PAYMENT (MAR 2001)

Notwithstanding any other payment clause in this contract, the Government will make invoice payments and contract financing payments under the terms and conditions specified in this clause. Payment shall be considered as being made on the day a check is dated or the date of an electronic funds transfer. Definitions of pertinent terms are set forth in sections 2.101 and 32.902 of the Federal Acquisition Regulation. All days referred to in this clause are calendar days, unless otherwise specified. (However, see subparagraph (a)(4) of this clause concerning payments due on Saturdays, Sundays, and legal holidays.)

(a) Invoice payments (1) Due Date. (i) Except as indicated in subparagraph (a)(2) and paragraph (c) of this clause, the due date for making invoice payments by the designated payment office shall be the later of the following two events:

(A) The 30th day after the designated billing office has received a proper invoice from the Contractor (except as provided in subdivision (a)(1)(ii) of this clause).

(B) The 30th day after Government acceptance of supplies delivered or services performed by the Contractor. On a final invoice where the payment amount is subject to contract settlement actions, acceptance shall be deemed to have occurred on the effective date of the contract settlement.

(ii) If the designated billing office fails to annotate the invoice with the actual date of receipt at the time of receipt, the invoice payment due date shall be the 30th day after the date of the Contractor's invoice; provided a proper invoice is received and there is no disagreement over quantity, quality, or Contractor compliance with contract requirements.

(2) Certain food products and other payments. (i) Due dates on Contractor invoices for meat, meat food products, or fish; perishable agricultural commodities; and dairy products, edible fats or oils, and food products prepared from edible fats or oils are--

(A) For meat or meat food products, as defined in section 2(a)(3) of the Packers and Stockyard Act of 1921 (7 U.S.C. 182(3)), and as further defined in Pub. L. 98-181, including any edible fresh or frozen poultry meat, any perishable

poultry meat food product, fresh eggs, and any perishable egg product, as close as possible to, but not later than, the 7th day after product delivery.

(B) For fresh or frozen fish, as defined in section 204(3) of the Fish and Seafood Promotion Act of 1986 (16 U.S.C. 4003(3)), as close as possible to, but not later than, the 7th day after product delivery.

(C) For perishable agricultural commodities, as defined in section 1(4) of the Perishable Agricultural Commodities Act of 1930 (7 U.S.C. 499a(4)), as close as possible to, but not later than, the 10th day after product delivery, unless another date is specified in the contract.

(D) For dairy products, as defined in section 111(e) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4502(e)), edible fats or oils, and food products prepared from edible fats or oils, as close as possible to, but not later than, the 10th day after the date on which a proper invoice has been received. Liquid milk, cheese, certain processed cheese products, butter, yogurt, ice cream, mayonnaise, salad dressings, and other similar products, fall within this classification. Nothing in the Act limits this classification to refrigerated products. When questions arise regarding the proper classification of a specific product, prevailing industry practices will be followed in specifying a contract payment due date. The burden of proof that a classification of a specific product is, in fact, prevailing industry practice is upon the Contractor making the representation.

(ii) If the contract does not require submission of an invoice for payment (e.g., periodic lease payments), the due date will be as specified in the contract.

(3) Contractor's invoice. The Contractor shall prepare and submit invoices to the designated billing office specified in the contract. A proper invoice must include the items listed in paragraph (a)(3)(i) through (a)(3)(viii) of this clause. If the invoice does not comply with these requirements, it shall be returned within 7 days after the date the designated billing office received the invoice (3 days for meat, meat food products, or fish; 5 days for perishable agricultural commodities, edible fats or oils, and food products prepared from edible fats or oils), with a statement of the reasons why it is not a proper invoice. Untimely notification will be taken into account in computing any interest penalty owed the Contractor in the manner described in subparagraph (a)(5) of this clause.

(i) Name and address of the Contractor.

(ii) Invoice date. (The Contractor is encouraged to date invoices as close as possible to the date of the mailing or transmission.)

(iii) Contract number or other authorization for supplies delivered or services performed (including order number and contract line item number).

(iv) Description, quantity, unit of measure, unit price, and extended price of supplies delivered or services performed.

(v) Shipping and payment terms (e.g., shipment number and date of shipment, prompt payment discount terms). Bill of lading number and weight of shipment will be shown for shipments on Government bills of lading.

(vi) Name and address of Contractor official to whom payment is to be sent (must be the same as that in the contract or in a proper notice of assignment).

(vii) Name (where practicable), title, phone number, and mailing address of person to be notified in the event of a defective invoice.

(viii) Any other information or documentation required by the contract (such as evidence of shipment).

(ix) While not required, the Contractor is strongly encouraged to assign an identification number to each invoice.

(4) Interest penalty. An interest penalty shall be paid automatically by the designated payment office, without request from the Contractor, if payment is not made by the due date and the conditions listed in paragraphs (a)(4)(i) through (a)(4)(iii) of this clause are met, if applicable. However, when the due date falls on a Saturday, Sunday, or legal holiday when Federal Government offices are closed and Government business is not expected to be conducted, payment may be made on the following business day without incurring a late payment interest penalty.

(i) A proper invoice was received by the designated billing office.

(ii) A receiving report or other Government documentation authorizing payment was processed, and there was no disagreement over quantity, quality, or Contractor compliance with any contract term or condition.

(iii) In the case of a final invoice for any balance of funds due the Contractor for supplies delivered or services performed, the amount was not subject to further contract settlement actions between the Government and the Contractor.

(5) Computing penalty amount. The interest penalty shall be at the rate established by the Secretary of the Treasury under section 12 of the Contract Disputes Act of 1978 (41 U.S.C. 611) that is in effect on the day after the due date, except where the interest penalty is prescribed by other governmental authority (e.g., tariffs). This rate is referred to as the "Renegotiation Board Interest Rate," and it is published in the Federal Register semiannually on or about January 1 and July 1. The interest penalty shall accrue daily on the invoice principal payment amount approved by the Government until the payment date of such approved principal amount; and will be compounded in 30-day increments inclusive from the first day after the due date through the payment date. That is, interest accrued at the end of any 30-day period will be added to the approved invoice principal payment amount and will be subject to interest penalties if not paid in the succeeding 30-day period. If the designated billing office failed to notify the Contractor of a defective invoice within the periods prescribed in subparagraph (a)(3) of this clause, the due date on the corrected invoice will be adjusted by subtracting from such date the number of days taken beyond the prescribed notification of defects period. Any interest penalty owed the Contractor will be based on this adjusted due date. Adjustments will be made by the designated payment office for errors in calculating interest penalties.

(i) For the sole purpose of computing an interest penalty that might be due the Contractor, Government acceptance shall be deemed to have occurred constructively on the 7th (unless otherwise specified in this contract) after the Contractor delivered the supplies or performed the services in accordance with the terms and conditions of the contract, unless there is a disagreement over quantity, quality, or Contractor compliance with a contract provision. In the event that actual acceptance occurs within the constructive acceptance period, the determination of an interest penalty shall be based on the actual date of acceptance. The constructive acceptance requirement does not, however, compel Government officials to accept supplies or services, perform contract administration functions, or make payment prior to fulfilling their responsibilities.

(ii) The following periods of time will not be included in the determination of an interest penalty:

(A) The period taken to notify the Contractor of defects in invoices submitted to the Government, but this may not exceed 7 days (3 days for meat, meat food products, or fish; 5 days for perishable agricultural commodities, dairy products, edible fats or oils, and food products prepared from edible fats or oils).

(B) The period between the defects notice and resubmission of the corrected invoice by the Contractor.

(C) For incorrect electronic funds transfer (EFT) information, in accordance with the EFT clause of this contract.

(iii) Interest penalties will not continue to accrue after the filing of a claim for such penalties under the clause at 52.233-1, Disputes, or for more than 1 year. Interest penalties of less than \$1 need not be paid.

(iv) Interest penalties are not required on payment delays due to disagreement between the Government and the Contractor over the payment amount or other issues involving contract compliance or on amounts temporarily withheld or retained in accordance with the terms of the contract. Claims involving disputes, and any interest that may be payable, will be resolved in accordance with the clause at 52.233-1, Disputes.

(6) Prompt payment discounts. An interest penalty also shall be paid automatically by the designated payment office, without request from the Contractor, if a discount for prompt payment is taken improperly. The interest penalty will be calculated as described in subparagraph (a)(5) of this clause on the amount of discount taken for the period beginning with the first day after the end of the discount period through the date when the Contractor is paid.

(7) Additional interest penalty. (i) a penalty amount, calculated in accordance with paragraph (a)(7)(iii) of this clause, shall be paid in addition to the interest penalty amount if the Contractor--

(A) Is owed an interest penalty of \$1 or more;

(B) Is not paid the interest penalty within 10 days after the date the invoice amount is paid; and

(C) Makes a written demand to the designated payment office for additional penalty payment, in accordance with paragraph (a)(7)(ii) of this clause, postmarked not later than 40 days after the invoice amount is paid.

(ii)(A) Contractors shall support written demands for additional penalty payments with the following data. No additional data shall be required. Contractors shall--

(1) Specifically assert that late payment interest is due under a specific invoice, and request payment of all overdue late payment interest penalty and such additional penalty as may be required;

(2) Attach a copy of the invoice on which the unpaid late payment interest was due; and

(3) State that payment of the principal has been received, including the date of receipt.

(B) Demands must be postmarked on or before the 40th day after payment was made, except that--

(1) If the postmark is illegible or nonexistent, the demand must have been received and annotated with the date of receipt by the designated payment office on or before the 40th day after payment was made; or

(2) If the postmark is illegible or nonexistent and the designated payment office fails to make the required annotation, the demand's validity will be determined by the date the Contractor has placed on the demand; provided such date is no later than the 40th day after payment was made.

(iii)(A) The additional penalty shall be equal to 100 percent of any original late payment interest penalty, except--

(1) The additional penalty shall not exceed \$5,000;

(2) The additional penalty shall never be less than \$25; and

(3) No additional penalty is owed if the amount of the underlying interest penalty is less than \$1.

(B) If the interest penalty ceases to accrue in accordance with the limits stated in paragraph (a)(5)(iii) of this clause, the amount of the additional penalty shall be calculated on the amount of interest penalty that would have accrued in the absence of these limits, subject to the overall limits on the additional penalty specified in paragraph (a)(7)(iii)(A) of this clause.

(C) For determining the maximum and minimum additional penalties, the test shall be the interest penalty due on each separate payment made for each separate contract. The maximum and minimum additional penalty shall not be based upon individual invoices unless the invoices are paid separately. Where payments are consolidated for disbursing purposes, the maximum and minimum additional penalty determination shall be made separately for each contract therein.

(D) The additional penalty does not apply to payments regulated by other Government regulations (e.g., payments under utility contracts subject to tariffs and regulation).

(b) Contract financing payments--(1) Due dates for recurring financing payments. If this contract provides for contract financing, requests for payment shall be submitted to the designated billing office as specified in this contract or as directed by the Contracting Officer. Contract financing payments shall be made on the 30th day after receipt of a proper contract financing request by the designated billing office. In the event that an audit or other review of a specific financing request is required to ensure compliance with the terms and conditions of the contract, the designated payment office is not compelled to make payment by the due date specified.

(2) Due dates for other contract financing. For advance payments, loans, or other arrangements that do not involve recurring submissions of contract financing requests, payment shall be made in accordance with the corresponding contract terms or as directed by the Contracting Officer.

(3) Interest penalty not applicable. Contract financing payments shall not be assessed an interest penalty for payment delays.

(c) Fast payment procedure due dates. If this contract contains the clause at 52.213-1, Fast Payment Procedure, payments will be made within 15 days after the date of receipt of the invoice.

I.6 52.246-24 LIMITATION OF LIABILITY--HIGH-VALUE ITEMS (FEB 1997) ALTERNATE I (APR 1984)

(a) Except as provided in paragraphs (b) through (e) below, and notwithstanding any other provision of this contract, the Contractor shall not be liable for loss of or damage to property of the Government (including the supplies delivered under this contract) that (1) occurs after Government acceptance of the supplies delivered under this contract and (2) results from any defects or deficiencies in the supplies.

(b) The limitation of liability under paragraph (a) above shall not apply when a defect or deficiency in, or the Government's acceptance of, the supplies results from willful misconduct or lack of good faith on the part of any of the Contractor's managerial personnel. The term "Contractor's managerial personnel," as used in this clause, means the Contractor's directors, officers, and any of the Contractor's managers, superintendents, or equivalent representatives who have supervision or direction of--

(1) All or substantially all of the Contractor's business;

(2) All or substantially all of the Contractor's operations at any one plant, laboratory, or separate location at which the contract is being performed; or

(3) A separate and complete major industrial operation connected with the performance of this contract.

(c) If the Contractor carries insurance, or has established a reserve for self-insurance, covering liability for loss or damage suffered by the Government through purchase or use of the supplies required to be delivered under this contract, the Contractor shall be liable to the Government, to the extent of such insurance or reserve, for loss of or damage to property of the Government occurring after Government acceptance of, and resulting from any defects or deficiencies in, the supplies delivered under this contract.

(d) (1) This clause does not diminish the Contractor's obligations, to the extent that they arise otherwise under this contract, relating to correction, repair, replacement, or other relief for any defect or deficiency in supplies delivered under this contract.

(2) Unless this is a cost-reimbursement contract, if loss or damage occurs and correction, repair, or replacement is not feasible or desired by the Government, the Contractor shall, as determined by the Contracting Officer--

(i) Pay the Government the amount it would have cost the Contractor to make correction, repair, or replacement before the loss or damage occurred; or

(ii) Provide other equitable relief.

(e) This clause shall not limit or otherwise affect the Government's rights under clauses, if included in this contract, that cover--

(1) Warranty of technical data;

(2) Ground and flight risks or aircraft flight risks; or

(3) Government property.

I.7 52.252-2 CLAUSES INCORPORATED BY REFERENCE (FEB 1998)

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this/these address(es):

<http://www.arnet.gov/far>

I.8 AIDAR 752.219-8 UTILIZATION OF SMALL BUSINESS CONCERNS AND SMALL DISADVANTAGED BUSINESS CONCERNS

(a) It is the policy of the United States that small business concerns, HUBZone small business concerns, small business concerns owned and controlled by socially and economically disadvantaged individuals, and small business concerns owned and controlled by women shall have the maximum practicable opportunity to participate in performing contracts let by any Federal agency, including contracts and subcontracts for subsystems, assemblies, components, and related services for major systems. It is further the policy of the United States that its prime contractors establish procedures to ensure the timely payment of amounts due pursuant to the terms of their subcontracts with small business concerns, HUBZone small business concerns, small business concerns owned and controlled by socially and economically disadvantaged individuals, and small business concerns owned and controlled by women.

(b) The Contractor hereby agrees to carry out this policy in the awarding of subcontracts to the fullest extent consistent with efficient contract performance. The Contractor further agrees to cooperate in any studies or surveys as may be conducted by the United States Small Business Administration or the awarding agency of the United States as may be necessary to determine the extent of the Contractor's compliance with this clause.

(c) Definitions. As used in this contract

(1) Small business concern means a small business as defined pursuant to section 3 of the Small Business Act and relevant regulations promulgated pursuant thereto.

(2) HUBZone small business concern means a small business concern that appears on the List of Qualified HUBZone Small Business Concerns maintained by the Small Business Administration.

(3) Small business concern owned and controlled by socially and economically disadvantaged individuals and small disadvantaged business concern mean a small business concern that represents, as part of its offer that--

(i) It has received certification as a small disadvantaged business concern consistent with 13 CFR 124, Subpart B;

(ii) No material change in disadvantaged ownership and control has occurred since its certification;

(iii) Where the concern is owned by one or more individuals, the net worth of each individual upon whom the certification is based does not exceed \$750,000 after taking into account the applicable exclusions set forth at 13 CFR 124.104 (c)(2); and

(iv) It is identified, on the date of its representation, as a certified small disadvantaged business in the database maintained by the Small Business Administration (PRO-Net).

(4) Small business concern owned and controlled by women means a small business concern--

(i) Which is at least 51 percent owned by one or more women, or, in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more women; and

(ii) Whose management and daily business operations are controlled by one or more women.

(d) Contractors acting in good faith may rely on written representations by their subcontractors regarding their status as a small business concern, a HUBZone small business concern, a small business concern owned and controlled by socially and economically disadvantaged individuals, or a small business concern owned and controlled by women.

USAID small business provision. To permit USAID, in accordance with the small business provisions of the Foreign Assistance Act, to give small business firms an opportunity to participate in supplying equipment supplies and services financed under this contract, the Contractor shall, to the maximum extent possible, provide the following information to the Office of Small and Disadvantaged Business Utilization (OSDBU), USAID, Washington, DC 20523-1414, at least 45 days prior to placing any order in excess of the simplified acquisition threshold except where a shorter time is requested of, and granted by OSDBU:

(1) Brief general description and quantity of commodities or services;

(2) Closing date for receiving quotations or bids; and

(3) Address where invitations or specifications may be obtained.

I.9 USAIDAR 752.7032 INTERNATIONAL TRAVEL APPROVAL AND NOTIFICATION REQUIREMENTS (JAN 1990)

Prior written approval by the Contracting Officer is required for all international travel directly and identifiably funded by USAID under this contract. The Contractor shall therefore present to the Contracting Officer an itinerary for each planned international trip, showing the name of the traveler, purpose of the trip, origin/destination (and intervening stops), and dates of travel, as far in advanced of the proposed travel as possible, but in no event less than three weeks before travel is planned to commence. The Contracting Officer's prior written approval may be in the form of a letter or telegram or similar device or may be specifically incorporated into the schedule of the contract. At least one week prior to commencement of approved international travel, the Contractor shall notify the cognizant Mission, with a copy to the Contracting Officer, of planned travel, identifying the travellers and the dates and times of arrival.

I.10 52.228-3 WORKERS' COMPENSATION INSURANCE (DEFENSE BASE ACT) (APR 1984)

The Contractor shall (a) provide, before commencing performance under this contract, such workers' compensation insurance or security as the Defense Base Act (42 U.S.C. 1651 et seq.) requires and (b) continue to maintain it until performance is completed. The Contractor shall insert, in all subcontracts under this contract to which the Defense Base Act applies, a clause similar to this clause (including this sentence) imposing upon those subcontractors this requirement to comply with the Defense Base Act.

I.11 COMMUNICATIONS PRODUCTS (OCT 1994)

(a) Definition - Communications products are any printed materials (other than non-color photocopy material), photographic services or video production services.

(b) Standards - USAID has established standards for communications products. These standards must be followed unless otherwise specifically provided in the contract or approved in writing by the contracting officer. A copy of the standards for USAID financed publications and video productions is attached.

(c) Communications products which meet any of the following criteria are not eligible for USAID financing under this agreement unless specifically authorized in the contract or in writing by the contracting officer:

(1) All communications materials funded by operating expense account funds;

(2) Any communication products costing over \$25,000, including the costs of both preparation and execution. For example, in the case of a publication, the costs will include research, writing and other editorial services (including any associated overhead), design, layout and production costs.

(3) Any communication products that will be sent directly to, or likely to be seen by, a Member of Congress or Congressional staffer; and

(4) Any publication that will have more than 50 percent of its copies distributed in the United States (excluding copies provided to CDIE and other USAID/W offices for internal use.

(d) The initial proposal must provide a separate estimate of the cost of every communications product as defined in paragraph (a) above [not just those which meet the criteria in paragraph (c)] which is anticipated under the contract. Each estimate must include all of the costs associated with preparation and execution of the product. Any subsequent request for approval of a covered communication product must provide the same type of cost information.

PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS**SECTION J - LIST OF ATTACHMENTS**

| ATTACHMENT NUMBER | TITLE | DATE | NO. PAGES |
|----------------------|---|------|--------------|
| ATTACHMENT 1 | IDENTIFICATION OF PRINCIPAL GEOGRAPHIC CODE NUMBERS A hard copy is attached at the end of this document | | 1 |
| ATTACHMENT 2 | USAID FORM 1420-17 - CONTRACTOR BIOGRAPHICAL DATA SHEET Please locate the electronic version of the form at http://www.USAID.GOV/procurement_bus_opp/procurement/forms/ | | 2 |
| ATTACHMENT 3 | SF LLL - DISCLOSURE OF LOBBYING ACTIVITIES Please locate the electronic version of the form at http://www.USAID.GOV/procurement_bus_opp/procurement/forms/ | | 3 |
| ATTACHMENT 4 | CERTIFICATE OF CURRENT COST AND PRICING DATA A hard copy is attached at the end of this document; however, for an electronic version, please locate the form at http://www.USAID.GOV/procurement_bus_opp/procurement/forms/ | | 1 |
| ATTACHMENT 5 | MODEL SMALL BUSINESS/SMALL DISADVANTAGED SUBCONTRACTING PLAN A hard copy is attached at the end of this document; however, for an electronic version, please locate the form at http://www.USAID.GOV/procurement_bus_opp/procurement/forms/ | | |
| ATTACHMENT 6 | SF 294 - SUBCONTRACTING REPORT FOR INDIVIDUAL CONTRACTS Please locate the electronic version of the form at http://www.USAID.GOV/procurement_bus_opp/procurement/forms/ | | 6 |
| ATTACHMENT 7 | AID 1420 - 65 AID CONTRACTOR EMPLOYEE PHYSICAL EXAMINATION FORM Please locate the electronic version of the form at http://www.USAID.GOV/procurement_bus_opp/procurement/forms/ | | 4 |
| ATTACHMENT 8 | MISSION STRATEGY DOCUMENT The USAID/Armenia Strategy can be found at http://www.usaid.gov/countries/am | | |
| ATTACHMENT 9 | LIST OF REPORTS Project Reports for the Capital Markets Development Program Phase I – prepared by PricewaterhouseCoopers can be found at http://www.usaid.gov/countries/am | | 1 |
| ATTACHMENT 10 | USAID/ARMENIA FSN COMPENSATION PLAN A hard copy is attached at the end of this document | | 1 |

PART IV - REPRESENTATIONS AND INSTRUCTIONS**SECTION K - REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS OF OFFERORS****K.1 NOTICE LISTING SOLICITATION PROVISIONS INCORPORATED BY REFERENCE**

The following solicitation provisions pertinent to this section are hereby incorporated by reference (by Citation Number, Title, and Date) in accordance with the FAR provision at FAR "52.252-1 SOLICITATION PROVISIONS INCORPORATED BY REFERENCE" in Section L of this solicitation. See FAR 52.252-1 for an internet address (if specified) for electronic access to the full text of a provision.

| NUMBER | TITLE | DATE |
|-----------|--|----------|
| 52.203-11 | FEDERAL ACQUISITION REGULATION (48 CFR Chapter 1) CERTIFICATION AND DISCLOSURE REGARDING PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS | APR 1991 |

K.2 52.204-3 TAXPAYER IDENTIFICATION (OCT 1998)**(a) Definitions.**

Common parent, as used in this provision, means that corporate entity that owns or controls an affiliated group of corporations that files its Federal income tax returns on a consolidated basis, and of which the offeror is a member.

Taxpayer Identification Number (TIN), as used in this provision, means the number required by the Internal Revenue Service (IRS) to be used by the offeror in reporting income tax and other returns. The TIN may be either a Social Security Number or an Employer Identification Number.

(b) All offerors must submit the information required in paragraphs (d) through (f) of this provision to comply with debt collection requirements of 31 U.S.C. 7701(c) and 3325(d), reporting requirements of 26 U.S.C. 6041, 6041A, and 6050M, and implementing regulations issued by the IRS. If the resulting contract is subject to the payment reporting requirements described in Federal Acquisition Regulation (FAR) 4.904, the failure or refusal by the offeror to furnish the information may result in a 31 percent reduction of payments otherwise due under the contract.

(c) The TIN may be used by the Government to collect and report on any delinquent amounts arising out of the offeror's relationship with the Government (31 U.S.C. 7701(c)(3)). If the resulting contract is subject to the payment reporting requirements described in FAR 4.904, the TIN provided hereunder may be matched with IRS records to verify the accuracy of the offeror's TIN.

(d) Taxpayer Identification Number (TIN).

[] TIN: _____

[] TIN has been applied for.

[] TIN is not required because:

☐ Offeror is a nonresident alien, foreign corporation, or foreign partnership that does not have income effectively connected with the conduct of a trade or business in the United States and does not have an office or place of business or a fiscal paying agent in the United States;

☐ Offeror is an agency or instrumentality of a foreign government;

☐ Offeror is an agency or instrumentality of the Federal Government.

(e) Type of organization.

☐ Sole proprietorship;

☐ Partnership;

☐ Corporate entity (not tax-exempt);

☐ Corporate entity (tax-exempt);

☐ Government entity (Federal, State, or local);

☐ Foreign government;

☐ International organization per 26 CFR 1.6049-4;

☐ Other _____

(f) Common parent.

☐ Offeror is not owned or controlled by a common parent as defined in paragraph (a) of this provision.

☐ Name and TIN of common parent:

Name _____

TIN _____

K.3 52.209-5 CERTIFICATION REGARDING DEBARMENT, SUSPENSION, PROPOSED DEBARMENT, AND OTHER RESPONSIBILITY MATTERS (APR 2001)

(a)(1) The Offeror certifies, to the best of its knowledge and belief, that -

(i) The Offeror and/or any of its Principals -

(A) Are ☐ are not ☐ presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal agency;

(B) Have ☐ have not ☐, within a 3-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, state, or local) contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion or receiving stolen property; and

(C) Are ☐ are not ☐ presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, commission of any of the offenses enumerated in subdivision (a)(1)(i)(B) of this provision.

(D) Have ☐ have not ☐, within a three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, state, or local) contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, or receiving stolen property; and

(E) Are ☐ are not ☐ presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, commission of any of the offenses enumerated in subdivision (a)(1)(i)(B) of this provision.

(ii) The Offeror has ☐ has not ☐, within a 3-year period preceding this offer, had one or more contracts terminated for default by any Federal agency.

(2) "Principals," for the purposes of this certification, means officers; directors; owners; partners; and, persons having primary management or supervisory responsibilities within a business entity (e.g., general manager; plant manager; head of a subsidiary, division, or business segment, and similar positions).

THIS CERTIFICATION CONCERNS A MATTER WITHIN THE JURISDICTION OF AN AGENCY OF THE UNITED STATES AND THE MAKING OF A FALSE, FICTITIOUS, OR FRAUDULENT CERTIFICATION MAY RENDER THE MAKER SUBJECT TO PROSECUTION UNDER SECTION 1001, TITLE 18, UNITED STATES CODE.

(b) The Offeror shall provide immediate written notice to the Contracting Officer if, at any time prior to contract award, the Offeror learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

(c) A certification that any of the items in paragraph (a) of this provision exists will not necessarily result in withholding of an award under this solicitation. However, the certification will be considered in connection with a determination of the Offeror's responsibility. Failure of the Offeror to furnish a certification or provide such additional information as requested by the Contracting Officer may render the Offeror nonresponsible.

(d) Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by paragraph (a) of this provision. The knowledge and information of an Offeror is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

(e) The certification in paragraph (a) of this provision is a material representation of fact upon which reliance was placed when making award. If it is later determined that the Offeror knowingly rendered an erroneous certification, in addition to other remedies available to the Government, the Contracting Officer may terminate the contract resulting from this solicitation for default.

K.4 52.215-6 PLACE OF PERFORMANCE (OCT 1997)

(a) The offeror or respondent, in the performance of any contract resulting from this solicitation, ☐ intends, ☐ does not intend [check applicable block] to use one or more plants or facilities located at a different address from the address of the offeror or respondent as indicated in this proposal or response to request for information.

(b) If the offeror or respondent checks "intends" in paragraph (a) of this provision, it shall insert in the following spaces the required information:

| Place of performance (street address, city, state, county, code) | Name and address of owner and operator of the plant or facility if other than offeror or respondent |
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K.5 52.219-22 SMALL DISADVANTAGED BUSINESS STATUS (OCT 1999)

(a) General. This provision is used to assess an offeror's small disadvantaged business status for the purpose of obtaining a benefit on this solicitation. Status as a small business and status as a small disadvantaged business for general statistical purposes is covered by the provision at FAR 52.219-1, Small Business Program Representation.

(b) Representations.

(1) General. The offeror represents, as part of its offer, that it is a small business under the size standard applicable to this acquisition; and either--

[] (i) It has received certification by the Small Business Administration as a small disadvantaged business concern consistent with 13 CFR 124, Subpart B; and

(A) No material change in disadvantaged ownership and control has occurred since its certification;

(B) Where the concern is owned by one or more disadvantaged individuals, the net worth of each individual upon whom the certification is based does not exceed \$750,000 after taking into account the applicable exclusions set forth at 13 CFR 124.104(c)(2); and

(C) It is identified, on the date of its representation, as a certified small disadvantaged business concern in the database maintained by the Small Business Administration (PRO-Net); or

[] (ii) It has submitted a completed application to the Small Business Administration or a Private Certifier to be certified as a small disadvantaged business concern in accordance with 13 CFR 124, Subpart B, and a decision on that application is pending, and that no material change in disadvantaged ownership and control has occurred since its application was submitted.

(2) [] For Joint Ventures. The offeror represents, as part of its offer, that it is a joint venture that complies with the requirements at 13 CFR 124.1002(f) and that the representation in paragraph (b)(1) of this provision is accurate for the small disadvantaged business concern that is participating in the joint venture. [The offeror shall enter the name of the small disadvantaged business concern that is participating in the joint venture:

_____.]

(c) Penalties and Remedies. Anyone who misrepresents any aspects of the disadvantaged status of a concern for the purposes of securing a contract or subcontract shall:

- (1) Be punished by imposition of a fine, imprisonment, or both;
- (2) Be subject to administrative remedies, including suspension and debarment; and
- (3) Be ineligible for participation in programs conducted under the authority of the Small Business Act.

K.6 52.222-22 PREVIOUS CONTRACTS AND COMPLIANCE REPORTS (FEB 1999)

The offeror represents that--

(a) It ☐ has, ☐ has not participated in a previous contract or subcontract subject to the Equal Opportunity clause of this solicitation; the clause originally contained in Section 310 of Executive Order No. 10925, or the clause contained in Section 201 of Executive Order No. 11114;

(b) It ☐ has, ☐ has not filed all required compliance reports; and

(c) Representations indicating submission of required compliance reports, signed by proposed subcontractors, will be obtained before subcontract awards.

K.7 52.222-25 AFFIRMATIVE ACTION COMPLIANCE (APR 1984)

The offeror represents that--

(a) It ☐ has developed and has on file, ☐ has not developed and does not have on file, at each establishment, affirmative action programs required by the rules and regulations of the Secretary of Labor (41 CFR 60-1 and 60-2), or (b) It ☐ has not previously had contracts subject to the written affirmative action programs requirement of the rules and regulations of the Secretary of Labor.

K.8 52.226-2 HISTORICALLY BLACK COLLEGE OR UNIVERSITY AND MINORITY INSTITUTION REPRESENTATION (MAR 2001)

(a) Definitions. As used in this provision--

Historically black college or university means an institution determined by the Secretary of Education to meet the requirements of 34 CFR 608.2. For the Department of Defense, the National Aeronautics and Space Administration, and the Coast Guard, the term also includes any nonprofit research institution that was an integral part of such a college or university before November 14, 1986.

Minority institution means an institution of higher education meeting the requirements of Section 1046(3) of the Higher Education Act of 1965 (20 U.S.C. 1067k, including a Hispanic-serving institution of higher education, as defined in Section 316(b)(1) of the Act (20 U.S.C. 1101a)).

(b) Representation. The offeror represents that it--

☐ is ☐ is not a historically black college or university;

☐ is ☐ is not a minority institution.

K.9 52.227-15 STATEMENT OF LIMITED RIGHTS DATA AND RESTRICTED COMPUTER SOFTWARE (MAY 1999)

(a) This solicitation sets forth the work to be performed if a contract award results, and the Government's known delivery requirements for data (as defined in FAR 27.401). Any resulting contract may also provide the Government the option to order additional data under the Additional Data Requirements clause at 52.227-16 of the FAR, if included in the contract. Any data delivered under the resulting contract will be subject to the Rights in Data--General clause at 52.227-14 that is to be included in this contract. Under the latter clause, a Contractor may withhold from delivery data that qualify as limited rights data or restricted computer software, and deliver form, fit, and function data in lieu thereof. The latter clause also may be used with its Alternates II and/or III to obtain delivery of limited rights data or restricted computer software, marked with limited rights or restricted rights notices, as appropriate. In addition, use of Alternate V with this latter clause provides the Government the right to inspect such data at the Contractor's facility.

(b) As an aid in determining the Government's need to include Alternate II or Alternate III in the clause at 52.227-14, Rights in Data--General, the offeror shall complete paragraph (c) of this provision to either state that none of the data qualify as limited rights data or restricted computer software, or identify, to the extent feasible, which of the data qualifies as limited rights data or restricted computer software. Any identification of limited rights data or restricted computer software in the offeror's response is not determinative of the status of such data should a contract be awarded to the offeror.

(c) The offeror has reviewed the requirements for the delivery of data or software and states [offeror check appropriate block]--

[] None of the data proposed for fulfilling such requirements qualifies as limited rights data or restricted computer software.

[] Data proposed for fulfilling such requirements qualify as limited rights data or restricted computer software and are identified as follows:

Note: "Limited rights data" and "Restricted computer software" are defined in the contract clause entitled "Rights in Data--General."

K.10 52.230-1 COST ACCOUNTING STANDARDS NOTICES AND CERTIFICATION (JUNE 2000)

NOTE:

This notice does not apply to small businesses or foreign governments.

This notice is in three parts, identified by Roman numerals I through III.

If the offeror is an educational institution, Part II does not apply unless the contemplated contract will be subject to full or modified CAS coverage pursuant to 48 CFR 9903.201-2(c)(5) or 9903.201-2(c)(6), respectively.

Offerors shall examine each part and provide the requested information in order to determine Cost Accounting Standards (CAS) requirements applicable to any resultant contract.

I. DISCLOSURE STATEMENT-COST ACCOUNTING PRACTICES AND CERTIFICATION

(a) Any contract in excess of \$500,000 resulting from this solicitation will be subject to the requirements of the Cost Accounting Standards Board (48 CFR Chapter 99), except for those contracts which are exempt as specified in 48 CFR 9903.201-1.

(b) Any offeror submitting a proposal which, if accepted, will result in a contract subject to the requirements of 48 CFR, Chapter 99 must, as a condition of contracting, submit a Disclosure Statement as required by 48 CFR 9903.202. When required, the Disclosure Statement must be submitted as a part of the offeror's proposal under this solicitation unless the offeror has already submitted a Disclosure Statement disclosing the practices used in connection with the pricing of this proposal. If an applicable Disclosure Statement has already been submitted, the offeror may satisfy the requirement for submission by providing the information requested in paragraph (c) of Part I of this provision.

CAUTION: In the absence of specific regulations or agreement, a practice disclosed in a Disclosure Statement shall not, by virtue of such disclosure, be deemed to be a proper, approved, or agreed-to practice for pricing proposals or accumulating and reporting contract performance cost data.

(c) Check the appropriate box below:

☐ (1) Certificate of Concurrent Submission of Disclosure Statement. The offeror hereby certifies that, as a part of the offer, copies of the Disclosure Statement have been submitted as follows: (i) original and one copy to the cognizant Administrative Contracting Officer (ACO) or cognizant Federal agency official authorized to act in that capacity (Federal official), as applicable, and (ii) one copy to the cognizant Federal auditor.

(Disclosure must be on Form No. CASB DS-1 or CASB DS-2, as applicable. Forms may be obtained from the cognizant ACO or Federal official and/or from the loose-leaf version of the Federal Acquisition Regulation.)

Date of Disclosure Statement:

Name and Address of Cognizant ACO or Federal Official Where Filed:

The offeror further certifies that the practices used in estimating costs in pricing this proposal are consistent with the cost accounting practices disclosed in the Disclosure Statement.

☐ (2) Certificate of Previously Submitted Disclosure Statement. The offeror hereby certifies that the required Disclosure Statement was filed as follows:

Date of Disclosure Statement:

Name and Address of Cognizant ACO or Federal Official Where Filed:

The offeror further certifies that the practices used in estimating costs in pricing this proposal are consistent with the cost accounting practices disclosed in the applicable Disclosure Statement.

☐ (3) Certificate of Monetary Exemption. The offeror hereby certifies that the offeror, together with all divisions, subsidiaries, and affiliates under common control, did not receive net awards of negotiated prime contracts and subcontracts subject to CAS totaling \$50 million or more in the cost accounting period immediately preceding the period in which this proposal was submitted. The offeror further certifies that if such status changes before an award resulting from this proposal, the offeror will advise the Contracting Officer immediately.

☐ (4) Certificate of Interim Exemption. The offeror hereby certifies that (i) the offeror first exceeded the monetary exemption for disclosure, as defined in (3) of this subsection, in the cost accounting period immediately preceding the period in which this offer was submitted and (ii) in accordance with 48 CFR 9903.202-1, the offeror is not yet required to submit a Disclosure Statement. The offeror further certifies that if an award resulting from this proposal has not been made within 90 days after the end of that period, the offeror will immediately submit a revised certificate to the Contracting Officer, in the form specified under subparagraphs (c)(1) or (c)(2) of Part I of this provision, as appropriate, to verify submission of a completed Disclosure Statement.

CAUTION: Offerors currently required to disclose because they were awarded a CAS-covered prime contract or subcontract of \$50 million or more in the current cost accounting period may not claim this exemption (4). Further, the exemption applies only in connection with proposals submitted before expiration of the 90 day period following the cost accounting period in which the monetary exemption was exceeded.

II. COST ACCOUNTING STANDARDS--ELIGIBILITY FOR MODIFIED CONTRACT COVERAGE

If the offeror is eligible to use the modified provisions of 48 CFR subpart 9903.201-2(b) and elects to do so, the offeror shall indicate by checking the box below. Checking the box below shall mean that the resultant contract is subject to the Disclosure and Consistency of Cost Accounting Practices clause in lieu of the Cost Accounting Standards clause.

☐ The offeror hereby claims an exemption from the Cost Accounting Standards clause under the provisions of 48 CFR 9903.201- 2(b) and certifies that the offeror is eligible for use of the Disclosure and Consistency of Cost Accounting Practices clause because during the cost accounting period immediately preceding the period in which this proposal was submitted, the offeror received less than \$50 million in awards of CAS-covered prime contracts and subcontracts. The offeror further certifies that if such status changes before an award resulting from this proposal, the offeror will advise the Contracting Officer immediately.

CAUTION: An offeror may not claim the above eligibility for modified contract coverage if this proposal is expected to result in the award of a CAS-covered contract of \$50 million or more or if, during its current cost accounting period, the offeror has been awarded a single CAS-covered prime contract or subcontract of \$50 million or more.

III. ADDITIONAL COST ACCOUNTING STANDARDS APPLICABLE TO EXISTING CONTRACTS

The offeror shall indicate below whether award of the contemplated contract would, in accordance with subparagraph (a)(3) of the Cost Accounting Standards clause, require a change in established cost accounting practices affecting existing contracts and subcontracts.

☐ YES

☐ NO

K.11 INSURANCE - IMMUNITY FROM TORT LIABILITY

The offeror represents that it ☐ is, ☐ is not a State agency or charitable institution, and that it ☐ is not immune, ☐ is partially immune, ☐ is totally immune from tort liability to third persons.

K.12 AGREEMENT ON, OR EXCEPTIONS TO, TERMS AND CONDITIONS

The Offeror has reviewed the solicitation (Sections B through J of which will become the contract) and [] agrees to the terms and conditions set forth therein; or [] has the following exceptions (continue on a separate attachment page, if necessary):

K.13 COMPLIANCE WITH VETERANS EMPLOYMENT REPORTING REQUIREMENTS

(a) The Offeror represents that, if it is subject to the reporting requirements of 38 U.S.C. 4212(d)(i.e., the VETS-100 report required by the Federal Acquisition Regulation clause 52.222-37, Employment Reports on Disabled Veterans and Veterans of the Vietnam Era), it has [] has not [] submitted the most recent report required by 38 U.S.C. 4212(d).

(b) An Offeror who checks "has not" may not be awarded a contract until the required reports are filed. (31 U.S.C. 1354)

K.14 SIGNATURE

By signature hereon, or on an offer incorporating these Representations, Certifications, and Other Statements of Offerors, the offeror certifies that they are accurate, current, and complete, and that the offeror is aware of the penalty prescribed in 18 U.S.C. 1001 for making false statements in offers.

Solicitation No. _____

Offer/Proposal No. _____

Date of Offer _____

Name of Offeror _____

Typed Name and Title _____

Signature _____ Date _____

SECTION L - INSTRUCTIONS, CONDITIONS, AND NOTICES TO OFFERORS**L.1 NOTICE LISTING SOLICITATION PROVISIONS INCORPORATED BY REFERENCE**

The following solicitation provisions pertinent to this section are hereby incorporated by reference (by Citation Number, Title, and Date) in accordance with the FAR provision at FAR "52.252-1 SOLICITATION PROVISIONS INCORPORATED BY REFERENCE" in Section L of this solicitation. See FAR 52.252-1 for an internet address (if specified) for electronic access to the full text of a provision.

| NUMBER | TITLE | DATE |
|-----------|---|----------|
| 52.215-1 | FEDERAL ACQUISITION REGULATION (48 CFR Chapter 1) INSTRUCTIONS TO OFFERORS--COMPETITIVE ACQUISITION ALTERNATE I (OCT 1997) | MAR 2001 |
| 52.219-24 | SMALL DISADVANTAGED BUSINESS PARTICIPATION PROGRAM--TARGETS | OCT 2000 |
| 52.225-10 | NOTICE OF BUY AMERICAN ACT--BALANCE OF PAYMENTS PROGRAM REQUIREMENT-- CONSTRUCTION MATERIALS | FEB 2000 |
| 52.232-28 | INVITATION TO PROPOSE PERFORMANCE-BASED PAYMENTS | MAR 2000 |
| 52.237-10 | IDENTIFICATION OF UNCOMPENSATED OVERTIME | OCT 1997 |

L.2 52.215-20 REQUIREMENTS FOR COST OR PRICING DATA OR INFORMATION OTHER THAN COST OR PRICING DATA (OCT 1997)

(a) Exceptions from cost or pricing data. (1) In lieu of submitting cost or pricing data, offerors may submit a written request for exception by submitting the information described in the following subparagraphs. The Contracting Officer may require additional supporting information, but only to the extent necessary to determine whether an exception should be granted, and whether the price is fair and reasonable.

(i) Identification of the law or regulation establishing the price offered. If the price is controlled under law by periodic rulings, reviews, or similar actions of a governmental body, attach a copy of the controlling document, unless it was previously submitted to the contracting office.

(ii) Commercial item exception. For a commercial item exception, the offeror shall submit, at a minimum, information on prices at which the same item or similar items have previously been sold in the commercial market that is adequate for evaluating the reasonableness of the price for this acquisition. Such information may include--

(A) For catalog items, a copy of or identification of the catalog and its date, or the appropriate pages for the offered items, or a statement that the catalog is on file in the buying office to which the proposal is being submitted. Provide a copy or describe current discount policies and price lists (published or unpublished), e.g., wholesale, original equipment manufacturer, or reseller. Also explain the basis of each offered price and its relationship to the established catalog price, including how the proposed price relates to the price of recent sales in quantities similar to the proposed quantities;

(B) For market-priced items, the source and date or period of the market quotation or other basis for market price, the base amount, and applicable discounts. In addition, describe the nature of the market;

(C) For items included on an active Federal Supply Service Multiple Award Schedule contract, proof that an exception has been granted for the schedule item.

(2) The offeror grants the Contracting Officer or an authorized representative the right to examine, at any time before award, books, records, documents, or other directly pertinent records to verify any request for an exception under this provision, and the reasonableness of price. For items priced using catalog or market prices, or law or regulation, access does not extend to cost or profit information or other data relevant solely to the offeror's determination of the prices to be offered in the catalog or marketplace.

(b) Requirements for cost or pricing data. If the offeror is not granted an exception from the requirement to submit cost or pricing data, the following applies:

(1) The offeror shall prepare and submit cost or pricing data and supporting attachments in accordance with Table 15-2 of FAR 15.408.

(2) As soon as practicable after agreement on price, but before contract award (except for unpriced actions such as letter contracts), the offeror shall submit a Certificate of Current Cost or Pricing Data, as prescribed by FAR 15.406-2.

L.3 52.216-1 TYPE OF CONTRACT (APR 1984)

The Government contemplates award of a (Cost Plus Fixed Fee) contract resulting from this solicitation.

L.4 52.233-2 SERVICE OF PROTEST (AUG 1996)

(a) Protests, as defined in section 33.101 of the Federal Acquisition Regulation, that are filed directly with an agency, and copies of any protests that are filed with the General Accounting Office (GAO), shall be served on the Contracting Officer (addressed as follows) by obtaining written and dated acknowledgment of receipt from:

Hand-Carried Address:

Carlton Bennett
Regional Contracting Officer
USAID/Caucasus
20 Telavi Street
Tbilisi 380003, Georgia

Mailing Address:

Carlton Bennett
Regional Contracting Officer
USAID/Caucasus/Tbilisi
Department of State
Washington D.C. 20521-7060

(b) The copy of any protest shall be received in the office designated above within one day of filing a protest with the GAO.

L.5 52.252-1 SOLICITATION PROVISIONS INCORPORATED BY REFERENCE (FEB 1998)

This solicitation incorporates one or more solicitation provisions by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. The offeror is cautioned that the listed provisions may include blocks that must be completed by the offeror and submitted with its quotation or offer. In lieu of submitting the full text of those provisions, the offeror may identify the provision by paragraph identifier and provide the appropriate information with its quotation or offer. Also, the full text of a solicitation provision may be accessed electronically at this/these address(es):

<http://www.arnet.gov/far>

L.6 GENERAL INSTRUCTIONS TO OFFERORS

(a) The offeror should submit the proposal either

(i) electronically - internet email with up to 0 attachments (2MB limit) per email compatible with MS WORD, Excel, Lotus 123 and/or WordPerfect in a MS Windows environment. Only those pages requiring original manual signatures should be sent via facsimile. (Facsimile of the entire proposal is not authorized); or

(ii) via regular mail - sending paper copies of a technical proposal and one original and copies of a cost proposal, however the issuing office receives regular international mail only once a week. All mail is subject to US Embassy electronic imagery scanning methods, physical inspection, and is not date and time stamped prior to receipt by USAID and the Contracting Officer; or

(iii) hand delivery (including commercial courier) of paper copies of a technical proposal and one original and copies of a cost proposal to the issuing office.

(iv) Regardless of the method used the Technical Proposal and Cost Proposal must be kept separate from each other. Technical Proposals must not make reference to pricing data in order that the technical evaluation may be made strictly on the basis of technical merit.

(b) Submission of Alternate Proposals

All offerors shall submit a proposal directly responsive to the terms and conditions of this RFP. If an offeror chooses to submit an alternative proposal, they must, at the same time, submit a proposal directly responsive hereto for any alternate to even be considered.

(c) Government Obligation

The US Government is not obligated to make an award or to pay for any costs incurred by the offeror in preparation of a proposal in response hereto.

L.7 INSTRUCTIONS FOR THE PREPARATION OF THE TECHNICAL PROPOSAL

(a) The Technical Proposal in response to this solicitation should address how the offeror intends to carry out the Statement of Work contained in Section C. It should also contain a clear understanding of the work to be undertaken and the responsibilities of all parties involved. The technical proposal should be organized by the technical evaluation criteria listed in Section M.

(b) The past performance references required by this section shall be included as an annex or attachment of the technical proposal.

(c) Detailed information should be presented only when required by specific RFP instructions. Proposals are limited to 40 pages, **OVER 40 PAGES WILL NOT BE EVALUATED**, and shall be written in English and typed on standard 8 1/2" x 11" paper (210 mm by 297mm paper), single spaced, 10 characters per inch with each page numbered consecutively. Items such as graphs, charts, cover pages, dividers, table of contents, and attachments (i.e. key personnel resumes, reply to case studies, table summarizing qualifications of proposed personnel, past performance summary table and past performance report forms) are not included in the 40-page limitation.

(d) The technical proposal should, at a minimum, include the following:

- (i) Offeror's proposed results for this activity, and these results shall contribute toward the purpose of further fiscal and customs reform by enabling formulation and implementation of informed policy decisions to further develop the fiscal infrastructure necessary for a market economy and by reforming administrative procedures to improve efficiency, transparency and revenue collections.
- (ii) A detailed Implementation Plan describing the approach, rationale and strategy that will support the results being proposed by the offeror. The successful offeror's Implementation Plan shall be incorporated into the contract resulting from this solicitation.
- (iii) A detailed Milestone Plan (MP) that shall serve as a road map for all contractor activities. The MP shall set forth the major results, activities, and deliverables within the Statement of Work of the contract, which the contractor shall work towards achieving. The MP shall also serve as a monitoring and evaluation tool for both the contractor and USAID. The MP must be established on a semi-annual basis. The MP shall become effective with the award of the contract resulting from this solicitation.
- (iv) The offeror shall submit a management and staffing plan to implement the proposed approach, including resumes of key personnel and signed letters of commitment from each individual being proposed as key personnel. The offeror shall describe management requirements, its relationship with any subcontractors and local partners, its plan for oversight, management and support of any subcontracts, as well as its plan for ensuring coordination and integration of activity components.

L.8 INSTRUCTIONS REGARDING KEY PERSONNEL

The contract proposed by this solicitation includes a key personnel clause, and the quality of key personnel proposed will be an evaluation factor. The offeror must include as part of its proposal a statement signed by each person proposed as key personnel confirming their present intention to serve in the stated position and their present availability to serve for the term of the proposed contract.

L.9 INSTRUCTIONS FOR THE PREPARATION OF THE COST PROPOSAL

(a) Each offeror shall provide a budget for each line item listed in Section B. Supporting information should be provided in sufficient detail to allow a complete analysis of each line item cost. This is to include a complete breakdown of the cost elements associated with each line item and those cost associated with any proposed subcontract.

(b) If the contractor is a joint venture or partnership, the business management proposal must include a copy of the

agreement between the parties to the joint venture/partnership. The agreement will include a full discussion of the relationship between the firms including identification of the firm which will have responsibility for negotiation of the contract, which firm will have accounting responsibility, how work will be allocated, overhead calculated, and profit shared, and the express agreement of the principals thereto to be held jointly and severally liable for the acts or omissions of the other.

- (c) Detail of the offeror's management structure as it relates to performance of services described in Section C.
- (d) The representations and certifications, as set forth in Section K of this solicitation, with the last page signed. This should be completed by subcontractors as well.
- (e) A completed Certificate of Current Cost or Pricing Data (see Section J of this solicitation) for itself and each subcontractor, if the subcontract will exceed \$500,000. (This certificate should be re-submitted after negotiations have been concluded and agreement has been reached.)
- (f) Audited balance sheets and profit and loss statements or if not available, returns as submitted to Federal tax authorities for the offeror's last two complete fiscal years and for the current fiscal year as of 30 days prior to proposal submission. (The balance sheets and profit and loss statements for the current fiscal year may be unaudited.) The profit and loss statements should include details of the total cost of services sold, and be annotated by either the auditor or offeror to delineate the offeror's indirect expense pool(s) and customary indirect cost distribution base(s).
- (g) A copy of the offeror's personnel policies in effect at the time the offer is submitted.
- (h) A copy of the offeror's travel policies in effect at the time the offer is submitted.

[End of Provision]

SECTION M - EVALUATION FACTORS FOR AWARD**M.1 EVALUATION CRITERIA**

Technical, cost, and other factors will be evaluated relative to each other, as described herein.

- A technical evaluation committee using the criteria shown in this Section will score the technical proposal.
- The criteria below are presented by major category, with relative order of importance, so that offerors will know which areas require emphasis in the preparation of proposals. The criteria below reflect the requirements of this particular solicitation.
- Offerors should note that these criteria: a) serve as the standard against which all proposals will be evaluated, and b) serve to identify the significant matters which offerors should address in their proposals.

1. Technical Evaluation Criteria (Total Possible Points = 100)**a. Technical approach (50 points)**

The extent to which the proposal sets forth a supportable course of action to cover all aspects necessary for the achievement of the objectives/results described in this solicitation. This will include the SOW for the review and assessment for supporting non-bank financial intermediation outside of the conventional securities markets (see Section IV.D.2.). The proposed technical approach must be presented in sufficient detail to demonstrate how this activity will be implemented. Points under this section will be assessed according to the following criteria: (i) the accuracy of the description of current situation in Armenia; (ii) the effectiveness of the technical approach in addressing the problems identified under (i); (iii) innovativeness, in particular with respect to the approach to unconventional financial intermediation; (iv) the feasibility and realism of the technical approach; and (v) the overall quality of the Work Plan for technical assistance to support the growth of non-bank financial intermediation outside of conventional securities markets.

b. Past Performance (25 points)

Contractor's demonstrated experience in achieving sustainable results in similar programs (including programs involving non-bank financial intermediation outside traditional securities markets) as per USAID Past Performance Reports (PPRs). For significant and relevant ongoing projects for which PPRs are as yet unavailable, similar information will be obtained from cognizant USAID officials. Points will be assigned for (i) the soundness of management practices, including program monitoring and data gathering and analysis; (ii) programmatic capability (i.e., the quality of the technical assistance provided); (iii) the timeliness of performance; (iv) business relations with both USAID and counterparts; and (v) financial capability. Past performance and success in supporting non-bank financial intermediation outside of securities markets will be a concern.

c. Personnel (25 points)

Personnel will be assessed on the appropriateness of their academic background and years of experience working on: i) capital markets development; ii) non-bank financial intermediation outside of traditional securities markets, as well as iii) their experience working in the Europe and Eurasia Region. They will be assessed on their effectiveness and success in similar programs. Points will be awarded separately for key resident staff and short-term personnel.

2. Cost

Points are not awarded for cost, so that cost is of significantly less importance than the scored criteria. However, where proposals are considered essentially equal, cost may be the determining factor. The overall standard for judging cost will be whether the cost proposal presents the best value for the cost. The cost proposal will be judged on: (1) whether it is realistic and consistent with the technical proposal; (2) overall cost control (avoidance of excessive salaries, excessive home office visits, and other costs in excess of reasonable requirements); and (3) amount of proposed fee. The cost proposal should include a detailed budget for all three years of the activity.

All schedules necessary to support and explain proposed costs with breakdowns on direct labor, fringe benefits, supplies and equipment, travel and per diem amounts, other direct costs, and indirect costs. Personnel costs, allowances and benefits, such as costs associated with resident and short-term personnel. Travel and transportation costs, including airfares (destinations and number of trips), per diems amounts, taxis, and car rentals. International travel should be identified separately and broken down by destination, number of trips, and number of travelers. Other direct costs such as rent, equipment, supplies, domestic, and international communications. Indirect costs supported with a Negotiated Indirect Cost Rate Agreement (NICRA) from the cognizant agency, if available.

M.2 DETERMINATION OF THE COMPETITIVE RANGE AND CONTRACT AWARD

(a) The competitive range of offerors with whom negotiation will be conducted (if necessary) will be determined by the Contracting Officer based on the above technical and cost evaluation factors, and will be comprised of all offerors whose proposals are determined to have a reasonable chance of being selected for award.

(b) In accordance with FAR 52.215-16, and as set forth in Section L of this solicitation, award will be made by the Contracting Officer to the responsible offeror whose proposal, conforming to the solicitation, is most advantageous to the Government, and the above technical and cost factors considered.

M.3 CONTRACTING WITH SMALL BUSINESS CONCERNS AND DISADVANTAGED ENTERPRISES

USAID encourages the participation of small business concerns and disadvantaged enterprises in this project, in accordance with FAR Part 19 (48 CFR Chapter 1), and AIDAR Part 726 (48 CFR Chapter 7). Accordingly, every reasonable effort will be made to identify and make use of such organizations. All evaluation criteria being found equal, the participation of such organizations may become a determining factor for selection.

ATTACHMENT 1
IDENTIFICATION OF PRINCIPAL GEOGRAPHIC CODE NUMBERS

The USAID Geographic Code Book sets forth the official description of all geographic codes used by USAID in authorizing or implementing documents, to designate authorized source countries or areas. The following are summaries of the principal codes:

(a) Code 000--The United States: The United States of America, any State(s) of the United States, the District of Columbia, and areas of U.S.-associated sovereignty, including commonwealths, territories and possessions.

(b) Code 899--Any area or country, except the cooperating country itself and the following foreign policy restricted countries: Afghanistan, Libya, Vietnam, Cuba, Cambodia, Laos, Iraq, Iran, North Korea, Syria and People's Republic of China.

(c) Code 935--Any area or country including the cooperating country, but excluding the foreign policy restricted countries.

(d) Code 941--The United States and any independent country (excluding foreign policy restricted countries), except the cooperating country itself and the following: Albania, Andorra, Angola, Armenia, Austria, Australia, Azerbaijan, Bahamas, Bahrain, Belgium, Bosnia and Herzegovina, Bulgaria, Belarus, Canada, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Gabon, Georgia, Germany, Greece, Hong Kong, Hungary, Iceland, Ireland, Italy, Japan, Kazakhstan, Kuwait, Kyrgyzstan, Latvia, Liechtenstein, Lithuania, Luxembourg, Macedonia*, Malta, Moldova, Monaco, Mongolia, Montenegro*, Netherlands, New Zealand, Norway, Poland, Portugal, Qatar, Romania, Russia, San Marino, Saudi Arabia, Serbia*, Singapore, Slovak Republic, Slovenia, South Africa, Spain, Sweden, Switzerland, Taiwan*, Tajikistan, Turkmenistan, Ukraine, United Arab Emirates, United Kingdom, Uzbekistan, and Vatican City.

* Has the status of a "Geopolitical Entity", rather than an independent country.

ATTACHMENT 2
USAID FORM 1420-17 - CONTRACTOR BIOGRAPHICAL DATA SHEET

Form can be downloaded from the following website:

www.usaid.gov/procurement_bus_opp/procurement/forms

ATTACHMENT 3
SF LLL - DISCLOSURE OF LOBBYING ACTIVITIES

Form can be downloaded from the following website:

www.usaid.gov/procurement_bus_opp/procurement/forms

ATTACHMENT 4
CERTIFICATE OF CURRENT COST AND PRICING DATA

This is to certify that, to the best of my knowledge and belief, cost or pricing data (as defined in Section 15.801 of the Federal Acquisition Regulation (FAR) and required under FAR subsection 15.804-2) submitted, either actually or by specific identification in writing, to the Contracting Officer or to the Contracting Officer's representative in support of _____ are accurate, complete, and current as of _____.**

FIRM: _____

NAME: _____

TITLE: _____

DATE OF EXECUTION: _____

* Identify the proposal, quotation, request for price adjustment, or other submission involved, giving the appropriate identifying number (e.g., RFP Number).

** Insert the day, month, and year when price negotiations were concluded and price agreement was reached.

*** Insert the day, month, and year of signing, which should be as close as practicable to the date when price negotiations were concluded and the contract price was agreed to.

ATTACHMENT 5
MODEL SMALL BUSINESS/SMALL DISADVANTAGED SUBCONTRACTING PLAN

MODEL SUBCONTRACTING PLAN OUTLINE

Identification Data

Contractor: _____

Address: _____

Solicitation or Contract Number: _____

Project Title: _____

Total Amount of Contract (Including Options) \$ _____

Period of Contract Performance (MO. & YR.) _____

* Federal Acquisition Regulation (FAR), paragraph 19.708(b) prescribes the use of the clause at FAR 52.219-9 entitled "Small Business, Small Disadvantaged Business, and Women Owned Small Business Subcontracting Plan." The following is a suggested model for use when formulating such subcontracting plan. While this model plan has been designed to be consistent with 52.219-9, other formats of a subcontracting plan may be acceptable. However, failure to include the essential information as exemplified in this model may be cause for either a delay in acceptance or the rejection of a bid or offer where the clause is applicable. Further, the use of this model is not intended to waive other requirements that may be applicable under FAR 52.219-9. "SUBCONTRACT" as used in this clause, means any agreement (other than one involving an employer-employee relationship (entered into a Federal Government prime contractor or subcontractor calling for supplies or services required for performance of the contract or subcontract

1. Type of Plan (Check One)

____ Individual plan (All elements developed specifically for this contract and applicable for the full term of this contract).

____ Master plan (Goals developed for this contract; all other elements standard; must be renewed annually).

____ Commercial products plan (Contractor sells large quantities of off-the-shelf commodities to many Government agencies. Plans/goals negotiated by a lead agency on a company-wide basis rather than for individual contracts. Plan effective only during year approved. Contractor must provide copy of lead agency approval).

2. Goals

State separate dollar and percentage goals for small business concerns, small disadvantaged business concerns, and women-owned small business concerns as subcontractors as specified in FAR 52.219-9 and FAR 19.704(a)(1).

A. Total estimated dollar value of all planned subcontracting, i.e., with all types of organizations under this contract, is \$_____.

B. Total estimated dollar value and percentage of planned subcontracting with small business concerns:
\$_____ and _____%*

C. Total estimated dollar value and percentage of planned subcontracting with small disadvantaged business concerns: \$ _____ and _____ %*

D. Total estimated dollar value and percentage of planned subcontracting with women-owned small business concerns: \$ _____ and _____ %*

(*Expressed as a percentage of "A")

E. Description of all the products and/or services to be subcontracted under this contract, and an indication of the types of organizations supplying them: (i.e., LARGE BUSINESS (LB), SMALL BUSINESS (SB), SMALL DISADVANTAGED BUSINESS (SDB), AND WOMEN-OWNED SMALL BUSINESS (W-OSB).

(check all that apply)

| Subcontracted Product/Service | LB | SB | SDB | W-OSB |
|-------------------------------|----|----|-----|-------|
|-------------------------------|----|----|-----|-------|

| | | | | |
|-------|--|--|--|--|
| _____ | | | | |
| _____ | | | | |
| _____ | | | | |
| _____ | | | | |

(Attach additional sheets if necessary.)

F. A description of the method used to develop the subcontracting goals for small, small disadvantaged, and women-owned small business concerns (i.e., explain the method and state the quantitative basis (in dollars) used to establish the percentage goals; also, explain how the areas to be subcontracted to small, small disadvantaged, and women-owned small business concerns were determined, and how the capabilities of small, small disadvantaged, and women-owned small businesses were determined -- include any source lists used in the determination process).

| |
|-------|
| _____ |
| _____ |
| _____ |
| _____ |
| _____ |

G. Indirect costs have been _____ have not been _____ included in the dollar and percentage subcontracting goals stated above. (check one)

H. If indirect costs have been included, explain the method used to determine the proportionate share of such costs to be allocated as subcontracts to small business, small disadvantaged business, and women-owned small business concerns.

| |
|-------|
| _____ |
| _____ |

3. Program Administrator

Name, title, position within the corporate structure, and duties and responsibilities of the employee who will administer the contractor's subcontracting program.

Name: _____

Title: _____

Address: _____

Telephone: _____

Duties: Has general overall responsibility for the contractor's subcontracting program; i.e., developing, preparing, and executing individual subcontracting plans and monitoring performance relative to the requirements of this particular plan. These duties include, but are not limited to, the following activities:

A. Developing and promoting company-wide policy initiatives that demonstrate the company's support for awarding contracts and subcontracts to small, small disadvantaged, and women-owned small business concerns; assuring that small, small disadvantaged, and women-owned small businesses are included on the source lists for solicitations for products and services for which they are capable of providing;

B. Developing and maintaining bidder's lists of small, small disadvantaged, and women-owned small business concerns from all possible sources;

C. Ensuring periodic rotation of potential subcontractors on bidder's lists;

D. Ensuring that procurement "packages" are designed to permit the maximum possible participation of small, small disadvantaged, and women-owned small businesses;

E. Making arrangements for the utilization of various sources for the identification of small, small disadvantaged, and women-owned small businesses such as the SBA's Procurement Automated Source System (PASS), the National Minority Purchasing Council Vendor Information Service, the Office of Minority Business Data Center in the Department of Commerce, and the facilities of local small business and minority associations, and maintaining contact with the Federal agency's Small and Disadvantaged Business Utilization Specialist.

F. Overseeing the establishment and maintenance of contract and subcontract award records;

G. Attending or arranging for the attendance of company counselors Business Opportunity Workshops, Minority Business Enterprise Seminars, Trade Fairs, Procurement Conferences, etc.;

H. Ensuring small, small disadvantaged, and women-owned small business concerns are made aware of subcontracting opportunities and of how to prepare responsive bids to the company;

I. Conducting or arranging for the conduct of training for purchasing personnel regarding the intent and impact of Public Law 95-507 et seq on purchasing procedures;

J. Monitoring the company's performance and making any adjustments necessary to achieve the Subcontracting Plan goals;

K. Preparing and submitting timely, required Subcontracting Reports, including SF 294 and SF 295;

L. Coordinating the company's activities during the conduct of compliance reviews by Federal agencies; and,

M. Other duties: _____

4. Equitable Opportunity

Describe efforts the offeror will make to ensure that small, small disadvantaged, and women-owned small business concerns will have an equitable opportunity to compete for subcontracts. These efforts include, but are not limited to the following activities:

A. Outreach efforts to obtain sources:

1. Contacting minority and small business trade association;
2. Contacting business development organizations;
3. Attending small and minority business procurement conferences and trade fairs; and
4. Requesting sources from the Small Business Administration's Procurement Automated Source System (PASS).
5. Placing newspaper and magazine ads which encourage new sources.

B. Internal efforts to guide and encourage purchasing personnel:

1. Presenting workshops, seminars, and training programs;
2. Establishing, maintaining, and using small, small disadvantaged, and women-owned small businesses source lists, guides, and other data for soliciting subcontracts; and
3. Monitoring activities to evaluate compliance with the Subcontracting Plan.

C. Additional efforts: _____

5. Flow-Down Clause

The contractor agrees to include the provisions under FAR 52.219-8, "Utilization of Small Business Concerns, Small Disadvantaged Business Concerns, and Women-Owned Small Business Concerns", in all subcontracts that offer further subcontracting opportunities. All subcontractors, except small business concerns, that receive subcontracts in excess of \$500,000 (\$1,000,000 for construction) must adopt and comply with a plan similar to the plan required by FAR 52.219-9, "Small Business, Small Disadvantaged Business, and Women-Owned Small Business Subcontracting Plan." Ref. FAR 19.704 (a) (4)

6. Reporting and Cooperation

The contractor gives assurance of (1) cooperation in any studies or surveys that may be required; (2) submission of periodic reports which show compliance with the Subcontracting Plan; (3) submission of Standard Form SF 294, "Subcontracting Report for Individual Contracts, "and SF 295, "Summary Subcontract Report," in accordance with the instructions on the forms; and (4) ensuring that subcontractors agree to submit SF 294 and SF 295.

| Reporting Period | Report | Due |
|------------------|--------|-------|
| Oct 1 - Mar 31 | SF 294 | 04/30 |
| Apr 1 - Sep 30 | SF 294 | 10/30 |
| Oct 1 - Sep 30 | SF 295 | 10/30 |

ADDRESSES

(a) SF 294 and

(b) SF 295 to be submitted to:

Director
Office of Small and Disadvantaged Business
Utilization/Minority Resource Center
U.S. Agency for International Development
Washington, DC 20523-1414

7. Recordkeeping

The following is a recitation of the types of records the contractor will maintain to demonstrate the procedures adopted to comply with the requirements and goals in the Subcontracting Plan. These records will include, but not be limited to, the following:

A. Small, small disadvantaged, and women-owned small business concerns source lists, guides, and other data identifying such vendors;

B. Organizations contacted in an attempt to locate small, small disadvantaged, and women-owned small business sources;

C. On a contract-by-contract basis, records on all subcontract solicitations over \$100,000 which indicate for each solicitation (1) whether small business concerns were solicited, and if not, why not; (2) whether small disadvantaged business concerns were solicited, and if not, why not; (3) whether women-owned small business concerns were solicited, and if not, why not; and (4) reason for the failure of solicited small, small disadvantaged, or women-owned small business concerns to receive the subcontract award;

D. Records to support other outreach efforts, e.g., contacts with minority and small business trade associations, attendance at small and minority business procurement conferences and trade fairs;

E. Records to support internal guidance and encouragement provided buyers through (1) workshops, seminars, training programs, incentive awards; and (2) monitoring of activities to evaluate compliance; and

F. On a contract-by-contract basis, records to support subcontract data including the name, address, and business size of each subcontractor. (This item is not required for company or division- wide commercial products plans.)

G. Additional records: _____

This subcontracting plan was submitted by:

Signature: _____

Typed Name: _____

Title: _____

Date Prepared: _____

Phone No.: _____

ATTACHMENT 6
SF 294 - SUBCONTRACTING REPORT FOR INDIVIDUAL CONTRACTS

Form can be downloaded from the following website:

www.usaid.gov/procurement_bus_opp/procurement/forms

ATTACHMENT 7
AID 1420 - 65 AID CONTRACTOR EMPLOYEE PHYSICAL EXAMINATION FORM

Form can be downloaded from the following website:

www.usaid.gov/procurement_bus_opp/procurement/forms

ATTACHMENT 8
MISSION STRATEGY DOCUMENT

The USAID/Armenia Strategy can be found at the following website:

<http://www.usaid.gov/countries/am>

ATTACHMENT 9
LIST OF REPORTS

Project Reports for the Capital Markets Development Program Phase I - prepared by PricewaterhouseCoopers.

The reports can be found at the following website:

<http://www.usaid.gov/countries/am>

ATTACHMENT 10 **USAID/ARMENIA FSN COMPENSATION PLAN**

AMEMBASSY YEREVAN, ARMENIA

AUTHORIZATION: STATE 95558 DATED 06/01/01
 LCP DENOMINATED IN USD
 PAID IN AMD
 EFFECTIVE DATE: 08/12/01

| Grade | Step-1 | Step-2 | Step-3 | Step-4 | Step-5 | Step-6 | Step-7 | Step-8 | Step-9 | Step-10 | Step-11 | Step-12 | Step-13 | Step-14 |
|-------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 12 | 14,572.00 | 15,009.00 | 15,446.00 | 15,883.00 | 16,320.00 | 16,757.00 | 17,194.00 | 17,631.00 | 18,068.00 | 18,505.00 | 18,942.00 | 19,379.00 | 19,816.00 | 20,253.00 |
| 11 | 13,248.00 | 13,645.00 | 14,042.00 | 14,439.00 | 14,836.00 | 15,233.00 | 15,630.00 | 16,027.00 | 16,424.00 | 16,821.00 | 17,218.00 | 17,615.00 | 18,012.00 | 18,409.00 |
| 10 | 11,868.00 | 12,224.00 | 12,580.00 | 12,936.00 | 13,292.00 | 13,648.00 | 14,004.00 | 14,360.00 | 14,716.00 | 15,072.00 | 15,428.00 | 15,784.00 | 16,140.00 | 16,496.00 |
| 9 | 10,201.00 | 10,507.00 | 10,813.00 | 11,119.00 | 11,425.00 | 11,731.00 | 12,037.00 | 12,343.00 | 12,649.00 | 12,955.00 | 13,261.00 | 13,567.00 | 13,873.00 | 14,179.00 |
| 8 | 8,997.00 | 9,267.00 | 9,537.00 | 9,807.00 | 10,077.00 | 10,347.00 | 10,617.00 | 10,887.00 | 11,157.00 | 11,427.00 | 11,697.00 | 11,967.00 | 12,237.00 | 12,507.00 |
| 7 | 8,180.00 | 8,425.00 | 8,670.00 | 8,915.00 | 9,160.00 | 9,405.00 | 9,650.00 | 9,895.00 | 10,140.00 | 10,385.00 | 10,630.00 | 10,875.00 | 11,120.00 | 11,365.00 |
| 6 | 5,842.00 | 6,017.00 | 6,192.00 | 6,367.00 | 6,542.00 | 6,717.00 | 6,892.00 | 7,067.00 | 7,242.00 | 7,417.00 | 7,592.00 | 7,767.00 | 7,942.00 | 8,117.00 |
| 5 | 5,312.00 | 5,471.00 | 5,630.00 | 5,789.00 | 5,948.00 | 6,107.00 | 6,266.00 | 6,425.00 | 6,584.00 | 6,743.00 | 6,902.00 | 7,061.00 | 7,220.00 | 7,379.00 |
| 4 | 4,823.00 | 4,974.00 | 5,119.00 | 5,264.00 | 5,409.00 | 5,554.00 | 5,699.00 | 5,844.00 | 5,989.00 | 6,134.00 | 6,279.00 | 6,424.00 | 6,569.00 | 6,714.00 |
| 3 | 4,252.00 | 4,380.00 | 4,508.00 | 4,636.00 | 4,764.00 | 4,892.00 | 5,020.00 | 5,148.00 | 5,276.00 | 5,404.00 | 5,532.00 | 5,660.00 | 5,788.00 | 5,916.00 |
| 2 | 3,865.00 | 3,981.00 | 4,097.00 | 4,213.00 | 4,329.00 | 4,445.00 | 4,561.00 | 4,677.00 | 4,793.00 | 4,909.00 | 5,025.00 | 5,141.00 | 5,257.00 | 5,373.00 |
| 1 | 3,508.00 | 3,613.00 | 3,718.00 | 3,823.00 | 3,928.00 | 4,033.00 | 4,138.00 | 4,243.00 | 4,348.00 | 4,453.00 | 4,558.00 | 4,663.00 | 4,768.00 | 4,873.00 |

Step rates 12, 13, and 14 are longevity step rates, each with a 156 week waiting period.

Effective February 8, 2001, an employee with less than two weeks of accrued sick leave may request up to four hours of excused absence per year in order to participate in preventative health screenings. Excused absence is paid time off without loss of pay or charge to leave.